



**REGULAR CITY COUNCIL MEETING  
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS  
SEPTEMBER 13, 2016  
7:00 PM**

**INTRODUCTORY PROCEEDINGS**

Call to order

Open forum (15 minutes maximum)

***Each speaker is to keep their comment period to three minutes to allow sufficient time for others. Comments are to be an opportunity to address the Council on items not on the agenda. Individuals who wish to address the Council must have registered prior to the meeting.***

Pledge of Allegiance

Approval of the minutes of the (1) Special Concurrent City Council & Planning Commission Worksession of August 23, 2016; (2) Special City Council Worksession of August 23, 2016; (3) Regular City Council Meeting of August 23, 2016; and (4) Special City Council Meeting of August 31, 2016

**PRESENTATIONS**

1. Presentation regarding Richfield's Open Streets at Penn Fest on September 18, 2016.

**COUNCIL DISCUSSION**

2. Hats Off to Hometown Hits

**AGENDA APPROVAL**

3. Approval of the agenda.
4. **Consent Calendar contains several separate items, which are acted upon by the City Council in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further Council action on these items is necessary. However, any Council Member may request that an item be removed from the Consent Calendar and placed on the regular agenda for Council discussion and action. All items listed on the Consent Calendar are recommended for approval.**
  - A. Consideration of the approval of a resolution granting an interim use permit to allow Minnesota Life College to use the property at 2000 West 76th Street for social, meeting and office space for their Community Living Program.

Staff Report No. 128
  - B. Consideration of the approval of a resolution relating to the residency of youth appointments to City advisory boards and commissions to allow for the appointment of non-residents who are actively enrolled in a Richfield high school or equivalent within the City of Richfield.

Staff Report No. 129

- C. Consideration of the approval of a resolution to accept a grant of \$5,830.00 from the Office of Justice Programs for bullet proof vests.

Staff Report No. 130

- D. Consideration of the approval of a request for the temporary expansion of the licensed premises for Davanni's, located at 6345 Penn Avenue South, to allow for the outside service of strong beer on Sunday, September 18, 2016, in conjunction with Richfield's Open Streets at Penn Fest event.

Staff Report No. 131

- E. Consideration of the approval of a request for the temporary expansion of the licensed premises for Thompson's Fireside Pizza, Inc., d/b/a Fireside Foundry, located at 6736 Penn Avenue South, to allow for the outside service of strong beer in their parking lot on Sunday, September 18, 2016, in conjunction with Richfield's Open Streets at Penn Fest event.

Staff Report No. 132

- F. Consideration of the approval of the resolution declaring costs to be assessed for removal of diseased trees from private property for work ordered in 2015 and scheduling a public hearing for October 11, 2016.

Staff Report No. 133

- G. Consideration of the approval of the resolutions pertaining to the annual Lyndale/HUB/Nicollet (LHN) maintenance assessment process and scheduling a public hearing for October 11, 2016.

Staff Report No. 134

- H. Consideration of the approval of the resolutions pertaining to the annual 77th Street maintenance district assessment process and scheduling a public hearing for October 11, 2016.

Staff Report No. 135

- I. Consideration of the approval of a Temporary On Sale Intoxicating Liquor license for the Richfield Foundation's Wine and Cheese event to take place on Thursday, October 6, 2016, in the atrium area of Houlihan's Restaurant and Bar, located at 6601 Lyndale Ave South.

Staff Report No. 136

- J. Consideration of the approval of the purchase of a front-end loader from Ziegler Inc. for \$242,205.00, less \$26,000.00 trade-in allowance, totaling \$216,205.00 plus taxes and licensing, for use by the Public Works Department.

Staff Report No. 137

- K. Consideration of the approval of the hiring of Kimley-Horn & Associates to perform utility observations services for the 66th Street Reconstruction Project for a fee not to exceed \$671,815.

Staff Report No. 138

- L. Consideration of the approval of a resolution declaring costs to be assessed for unpaid false alarm user fees against private property.

Staff Report No. 139

- M. Consideration of the approval of a resolution declaring costs to be assessed for current services performed for weed elimination from private property and removal or elimination of public health or safety hazards from private property.

Staff Report No. 140

5. Consideration of items, if any, removed from Consent Calendar

### **RESOLUTIONS**

6. Consideration of the 70th Street Bicycle Route and adoption of a resolution restricting parking along portions of the route.

Staff Report No. 141

7. Consideration of a resolution authorizing the refunding of the \$4,705,000 G.O. Capital Improvement Plan Bonds, Series 2007A, dated July 10, 2007 and the \$4,250,000 G.O. Improvement Bonds, Series 2007B, dated July 10, 2007 with the \$5,450,000 G.O. Refunding Bonds, Series 2016B.

Staff Report No. 142

8. Consideration of a resolution authorizing the refunding of the \$9,480,000 G.O. Capital Improvement Plan Bonds, Series 2008A, dated December 23, 2008 with the \$6,305,000 G.O. Refunding Bonds, Series 2016C.

Staff Report No. 143

9. Consideration of the 2016 Revised/2017 Proposed Budget resolutions adopting the 2017 preliminary property tax levy, setting truth in taxation hearing date, authorizing budget revisions, and authorizing revision of 2016 budget of various departments.

Staff Report No. 144

**CITY MANAGER'S REPORT**

10. City Manager's Report

**CLAIMS AND PAYROLLS**

11. Claims and payrolls

Open forum (15 minutes maximum)

***Each speaker is to keep their comment period to three minutes to allow sufficient time for others. Comments are to be an opportunity to address the Council on items not on the agenda. Individuals who wish to address the Council must have registered prior to the meeting.***

12. Adjournment

**Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.**



# CITY COUNCIL MINUTES

Richfield, Minnesota

## Special Concurrent City Council and Planning Commission Worksession

**August 23, 2016**

### CALL TO ORDER

The meeting was called to order by Mayor Goettel at 6:02 p.m. in the Bartholomew Room.

*Council Members Present:* Debbie Goettel, Mayor; Michael Howard; Edwina Garcia; Pat Elliott; and Tom Fitzhenry.

*Planning Commission Members Present:* Erin Vrieze Daniels, Chair; Rick Jabs; Daniel Kitzberger; and Sean Hayford Oleary.

*Planning Commission Members Absent:* Susan Rosenberg; Charles Standfuss; and Gordon Vizecky.

*Staff Present:* Steven L. Devich, City Manager; Kristin Asher, Public Works Director; John Stark, Community Development Director; Pam Dmytrenko, Assistant City Manager/HR Manager; and Kari Sinning, Deputy City Clerk.

<b>Item #1</b>	<b>DISCUSSION REGARDING 6605-1<sup>ST</sup> AVE (COUNCIL MEMO NO. 56)</b>
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Community Development Director Stark opened the discussion stating the current use of the property at 6605 1<sup>st</sup> Ave as explained in Council Memo No. 56.

Paul Lynch Jr. of PLH & Associates presented his proposal for a 2-story retail/residential mixed use project.

Council Members and Commissioners posed some questions and minor concerns; however, they expressed general support for the project and encouraged the developer to submit a formal land-use application.

### ADJOURNMENT

The worksession was adjourned by unanimous consent at 6:23 p.m.

Date Approved: September 13, 2016

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Debbie Goettel  
Mayor

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Kari Sinning  
Deputy City Clerk

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Steven L. Devich  
City Manager





# CITY COUNCIL MINUTES

Richfield, Minnesota

## Special City Council Worksession

**August 23, 2016**

### CALL TO ORDER

The meeting was called to order by Mayor Goettel at 6:23 p.m. in the Bartholomew Room.

*Council Members Present:* Debbie Goettel, Mayor; Michael Howard; Edwina Garcia; Pat Elliott; and Tom Fitzhenry.

*Staff Present:* Steven L. Devich, City Manager; Kristin Asher, Public Works Director; Jack Broz, Transportation Engineer; Pam Dmytrenko, Assistant City Manager/HR Manager; and Kari Sinning, Deputy City Clerk.

<b>Item #1</b>	<b>DISCUSSION REGARDING THE 70<sup>TH</sup> STREET BICYCLE ROUTE (COUNCIL MEMO NO. 58)</b>
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Transportation Engineer Broz made a presentation regarding the 70<sup>th</sup> Street Bicycle Route displaying to the Council areas that will have 'No Parking' restrictions. He summarized positive and negative feedback from residents that attended the open house in July. The owners of the four homes that would be affected by the restrictions were contacted and the changes are manageable.

Council Member Garcia expressed the parking issues at the daycare located on 70<sup>th</sup> Street and Portland Ave. Transportation Engineer Broz stated that the area would be for time limited parking for pick up and drop off.

The City Council consensus was in favor of continuing to support the 70<sup>th</sup> Street Bicycle Route.

### ADJOURNMENT

The worksession was adjourned by unanimous consent at 6:40 p.m.

Date Approved: September 13, 2016

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Debbie Goettel  
Mayor

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Kari Sinning  
Deputy City Clerk

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Steven L. Devich  
City Manager



# CITY COUNCIL MEETING MINUTES

## Richfield, Minnesota

### Regular Meeting

**August 23, 2016**

#### CALL TO ORDER

The meeting was called to order by Mayor Goettel at 7:00 p.m. in the Council Chambers.

*Council Members Present:*

Debbie Goettel, Mayor; Michael Howard; Edwina Garcia; Tom Fitzhenry; and Pat Elliott.

*Staff Present:*

Steven L. Devich, City Manager; John Stark, Community Development Director; Kristin Asher, Public Works Director; Jay Henthorne, Public Safety Director; Pam Dmytrenko, Assistant City Manager/HR Manager, Mary Tietjen, City Attorney; and Kari Sinning, Deputy City Clerk.

#### OPEN FORUM

John Bjostad, 7016 Harriet Ave, announced an informational series at the Richfield History Center beginning September 13<sup>th</sup> called "This Old Bartholomew House".

#### PLEDGE OF ALLEGIANCE

Mayor Goettel led the audience in the Pledge of Allegiance.

#### APPROVAL OF MINUTES

M/Fitzhenry, S/Garcia to approve the minutes of the (1) Special City Council Worksession of July 22, 2016; (2) Special City Council Meeting of July 26, 2016; (3) Regular City Council Meeting of July 26, 2016; and (4) Special City Council Meeting of August 12, 2016.

Motion carried 5-0.

Item #1	PRESENTATION: INTRODUCTION OF BRIAN RYKS, NEW MAC EXECUTIVE DIRECTOR/CEO (COUNCIL MEMO NO. 57)
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Council Member Fitzhenry announced, Brian Ryks, new MAC Executive Director/CEO.

Executive Director/CEO Brian Ryks introduced himself to the City Council and presented a brief summary of his airport related background.

Council Member Fitzhenry also commented on the involvement and support of MAC Environmental Group and the relationship with the FAA during the development of the convergent runway operations.

<b>Item #2</b>	<b>PRESENTATION OF THE RICHFIELD IN BLOOM AWARD</b>
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Mayor Goettel recognized Susan Rosenberg who presented a slideshow of the 2016 Richfield Beautiful Garden Tour held on July 30<sup>th</sup>. All of the participants were acknowledged and the winners, Lasantha and Miriam Fernando of 6632 17<sup>th</sup> Ave, were awarded the People's Choice Award.

<b>Item #3</b>	<b>COUNCIL DISCUSSION</b> <ul style="list-style-type: none"><li>• Hats Off to Hometown Hits</li></ul>
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Council Member Garcia offered condolences from the City Council and City Staff to the family and friends of Robert Hintgen, an employee of the City of Richfield for 20 years who passed away on August 13<sup>th</sup>.

Council Member Elliot announced Open Streets at Penn Fest on September 18<sup>th</sup> and offered those that want to volunteer to call 612-861-9361.

Council Member Howard congratulated the residents and representatives from the Richfield Police Department and the City Staff on a very successful Night to Unite held on August 2<sup>nd</sup>, 2016.

Council Member Fitzhenry also acknowledged a successful Night to Unite as well as the 14<sup>th</sup> Annual Urban Wildland Half Marathon held on August 6<sup>th</sup>, 2016. He also stated that a noise study will be conducted for the proposed band shell at Veteran's Memorial Park with more information at a later date.

Mayor Goettel attended a children's festival at the House of Prayer on August 21<sup>st</sup>, 2016. Although the festival was well attended, Mayor Goettel would like to encourage organizations to notify City Council when the event will take place in order to promote the event to the public.

<b>Item #4</b>	<b>COUNCIL APPROVAL OF AGENDA</b>
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M/Fitzhenry, S/Howard to approve the agenda.

Motion carried 5-0.

<b>Item #5</b>	<b>CONSENT CALENDAR</b>
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- A. Consideration of the approval of a resolution amending Appendix D of the Richfield City Code to provide for a license fee reduction for Residential Kennel licenses from \$164 to \$100 annually. S.R. No. 117

RESOLUTION NO. 11225

RESOLUTION AMENDING APPENDIX D OF THE RICHFIELD CITY CODE TO  
DECREASE THE RESIDENTIAL KENNEL LICENSE FEE IN THE CITY

This resolution appears as Resolution No. 11225.

- B. Consideration of the approval of a work proposal from Bolton & Menk, Inc. for final design and coordination services of the 66<sup>th</sup> Street Streetscape project between Xerxes Avenue and 16<sup>th</sup> Avenue. S.R. No. 118
- C. Consideration of the approval of a resolution certifying deferral of special assessments for certain eligible homeowners. S.R. No. 119

#### RESOLUTION NO. 11226

##### RESOLUTION APPROVING ELIGIBLE DEFERRAL OF SPECIAL ASSESSMENTS AGAINST OWNER OCCUPIED HOMESTEAD PROPERTIES IN HARDSHIP CASES FOR QUALIFYING OWNERS

This resolution appears as Resolution No. 11226.

- D. Consideration of the approval of a resolution appointing Devan Makadia to the Richfield Tourism Promotion Board to complete a three-year term ending December 31, 2018 or until a successor has been chosen, whichever is later. S.R. No. 120

#### RESOLUTION NO. 11227

##### RESOLUTION APPOINTING A REPRESENTATIVE TO THE BOARD OF DIRECTORS OF THE RICHFIELD TOURISM PROMOTION BOARD, INC

This resolution appears as Resolution No. 11227.

- E. Consideration of the approval of a work proposal from Kimley-Horn & Associates, Inc. for additional construction and design engineering services for Portland Avenue, between 67<sup>th</sup> and 78<sup>th</sup> Streets. S.R. No. 121
- F. Consideration of the approval of the reappointment of the firm BerganKDV as the City's auditor for the financial reporting fiscal years 2016-2018, and to authorize the City Manager and Mayor to execute an agreement for such services. S.R. No. 122
- G. Consideration of the approval of the second reading of an ordinance changing Sections 705.19, 715.15, 825.11, and 910.23 of the Richfield City code pertaining to the timing of the special assessment procedure. S.R. No. 123

#### BILL NO. 2016-14

##### AN ORDINANCE AMENDING SUBSECTIONS 705.19, 715.15, 825.11 AND 910.23 OF THE RICHFIELD CODE OF ORDINANCES RELATING TO CERTIFICATION OF ASSESSMENTS

This constitutes the second reading of Bill No. 2016-14, amending the Richfield City code pertaining to the timing of the special assessment procedure, that it be published in the official newspaper, and that it be made part of these minutes.

- H. Consideration of the approval of the request for a Temporary On Sale Intoxicating Liquor license for the Minneapolis-Richfield American Legion Post #435, located at 6501 Portland Avenue South, for a Flag Ceremony and BBQ event scheduled to take place on September 17, 2016. S.R. No. 124

M/Goettel, S/Fitzhenry to approve the Consent Calendar.

Council Member Garcia stated that she appreciates the reduction for Residential Kennel licenses.

Motion carried 5-0.

<b>Item #6</b>	<b>CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM THE CONSENT CALENDAR</b>
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None.

<b>Item #7</b>	<b>PUBLIC HEARING TO CONSIDER A PRELIMINARY PLAT AND AMENDED DEVELOPMENT PLANS FOR THE CEDAR POINT COMMONS AREA AT 66<sup>TH</sup> STREET AND RICHFIELD PARKWAY. THE PROPOSAL INCLUDES REVISIONS TO THE VACANT SITE TO THE WEST OF RICHIFLED PARKWAY AND TO THE PAD SITE ON THE FAR EASTERN EDGE OF THE DEVELOPMENT, ALONG HIGHWAY 77. S.R. NO. 125</b>
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Council Member Fitzhenry presented Staff Report No. 125.

John Stark, Community Development Director, described the specific retail tenants and design of the proposed development.

Mayor Goettel opened the public hearing.

M/Elliott, S/Fitzhenry to close public hearing.

Motion carried 5-0.

M/Fitzhenry, S/Goettel to approve an amended Planned Unit Development, Conditional Use Permit, and Final Development Plan for Cedar Point Commons at 66<sup>th</sup> Street and Richfield Parkway; to approve a preliminary plat for the properties west of Richfield Parkway; and that the following resolutions be adopted and that it be made part of these minutes:

RESOLUTION NO. 11228

RESOLUTION APPROVING AN AMENDED  
FINAL DEVELOPMENT PLAN  
AND CONIDTIONAL USE PERMIT  
FOR THE CEDAR POINT COMMONS  
PLANND UNIT DEVELOPMENT

This resolution appears as Resolution No. 11228.

RESOLUTION NO. 11229

RESOLUTION GRANTING APPROVAL  
OF A PLAT FOR  
CEDAR POINT COMMONS SECOND ADDITION

This resolution appears as Resolution No. 11229.

Motion carried 5-0.

Item #8	<b>CONSIDERATION OF AN AMENDMENT OF THE CITY'S ZONING ORDINANCE AND A RESOLUTION AUTHORIZING SUMMARY PUBLICATION OF SAID ORDINANCE. THE PROPOSED ORDINANCE ALLOWS THE CITY TO "OPT-OUT" OF RECENTLY-ADOPTED LEGISLATION RELATED TO TEMPORARY HEALTH CARE DWELLINGS.</b>
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Council Member Howard presented Staff Report No. 126.

M/Howard, S/Goettel to approve Bill No. 2016-15, amending the Richfield City Code to opt-out of the requirements of Minnesota Statutes, Section 462.3593; and that the following resolution be adopted, published in the official newspaper, and that it be made part of these minutes:

RESOLUTION NO. 11230

RESOLUTION APPROVING SUMMARY PUBLICATION  
OF AN ORDINANCE OPTING-OUT OF  
STATE REGULATIONS RELATED TO  
TEMPORARY HEALTH CARE DWELLINGS

This resolution appears as Resolution No. 11230.

Motion carried 5-0.

Item #9	<b>CONSIDERATION OF THE ORDINANCE AMENDING THE CITY'S ZONING ORDINANCE AND A RESOLUTION AUTHORIZING SUMMARY PUBLICATION OF SAID ORDINANCE. THE PROPOSED ORDINANCE UPDATES AND CLARIFIES THE CITY'S TELECOMMUNICATION REGULATIONS. S.R. NO. 127</b>
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Council Member Elliott presented Staff Report No. 127.

M/Elliott, S/Garcia to approve Bill No. 2016-16, amending Subsection 544.25 of the City Code related to telecommunication towers and antennas; and that the following resolution be adopted, published in the official newspaper, and that it be made part of these minutes:

RESOLUTION NO. 11231

RESOLUTION APPROVING SUMMARY PUBLICATION OF AN ORDINANCE  
AMENDING REGULATIONS RELATED TO  
TELECOMMUNICATION FACILITIES

This resolution appears as Resolution No. 11231.

Motion carried 5-0.

<b>Item #10</b>	<b>CITY MANAGER'S REPORT</b>
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None.

<b>Item #11</b>	<b>CLAIMS AND PAYROLLS</b>
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M/Fitzhenry, S/Garcia that the following claims and payrolls be approved:

<b><u>U.S. Bank</u></b>		<b><u>08/09/16</u></b>
A/P Checks: 251932 - 252275	\$	3,622,173.10
Payroll: 120802 - 121175		<u>653,039.20</u>
TOTAL	\$	4,275,212.30

<b><u>U.S. Bank</u></b>		<b><u>08/23/16</u></b>
A/P Checks: 252276 - 252735	\$	1,821,156.63
Payroll: 121176 – 121550, 42458 - 42461		<u>631,859.06</u>
TOTAL	\$	2,453,015.69

Motion carried 5-0.

<b>OPEN FORUM</b>
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None.

<b>Item #12</b>	<b>ADJOURNMENT</b>
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The City Council Meeting was adjourned by unanimous consent at 7:46 p.m.

Date Approved: August 23, 2016

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Debbie Goettel  
Mayor

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Kari Sinning  
Deputy City Clerk

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Steven L. Devich  
City Manager



**CITY COUNCIL MINUTES**  
Richfield, Minnesota  
**Special City Council Meeting**  
**August 31, 2016**

<b>CALL TO ORDER</b>
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The meeting was called to order by Mayor Goettel at 5:09 p.m. in the Bartholomew Room.

*Council Members Present:* Debbie Goettel, Mayor; Pat Elliott; Tom Fitzhenry (arrived 5:14 p.m.); and Michael Howard.

*Council Member Absent:* Edwina Garcia.

*Staff Present:* Steven L. Devich, City Manager; Kristin Asher, Public Works Director; John Stark, Community Development Director; Jim Topitzhofer, Recreation Services Director; Wayne Kewitsch, Fire Services Director; Bill Fillmore, Municipal Liquor Operations Director; Jay Henthorne, Public Safety Director; Chris Regis, Finance Manager; and Kris Weiby, Facilities Manager.

<b>Item #1</b>	<b>DISCUSSION OF THE 2016 REVISED/2017 PROPOSED BUDGET AND 2017 PRELIMINARY TAX LEVY</b>
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City Manager Devich began the discussion by advising that there would be a presentation first by Finance Manager Regis regarding the overall budget and tax levy followed by each of the departments. He stated that the budget as presented tonight anticipated a 3.46% tax levy increase that would have virtually no impact on the yearly taxes of an average Richfield home. However, to accomplish that, the budget also includes the use of \$80,000 more of Local Government Aid (LGA) than the 2016 budget.

Mr. Devich stated that he understood that the City Council had a long term policy of not becoming more dependent on LGA, and at the end of the presentations, there would be options for the Council to levy the \$80,000 instead of using LGA and the impacts that would result from that change.

Finance Manager Regis presented the 2016 Revised/2017 Proposed Budget and 2017 preliminary tax levy. He covered all of the major aspects of the General Fund revenues and expenditures, the elements of the overall tax levy and its predicted impacts on residential properties.

Finance Manager Regis presented the Legislative/Executive and Administrative Services Department budgets.

Liquor Operations Director Fillmore presented the Liquor Operations Department budget.

Public Safety Director Henthorne presented the Public Safety Department budgets.



Recreation Services Director Topitzhofer and Facilities Manager Weiby presented the Recreation Department budgets.

Community Development Director Stark presented the Community Development Department budgets and additional information from the Housing and Redevelopment Authority budgets.

Fire Services Director Kewitsch presented the Fire Services Department budget.

Public Works Director Asher presented the Public Works Department budgets.

There was general discussion of the budget by the City Council and staff including responses to specific questions regarding the various departments.

City Manager Devich and Finance Manager Regis presented two alternative revenue scenarios wherein \$50,000 and \$80,000 of LGA respectfully, would be restored to the LGA reserve and replaced with current tax levy.

There was unanimous consensus that the \$80,000 be restored and additional taxes levied. The tax levy increase was changed to 3.89% which results in an estimated City property increase of \$7 per year for an average City home.

Mayor Goettel thanked the staff for their work on the budget. The general consensus of the City Council was that they agreed with the direction of the 2017 budget and tax levy.

<b>ADJOURNMENT</b>
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The City Council Meeting was adjourned by unanimous consent at 8:40 p.m.

Date Approved: September 13, 2016.

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Debbie Goettel  
Mayor

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Steven L. Devich  
Acting City Clerk

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Steven L. Devich  
City Manager



**STAFF REPORT NO. 128**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Matt Brillhart, Associate Planner

DEPARTMENT DIRECTOR REVIEW: John Stark, Community Development Director  
9/7/2016

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of the approval of a resolution granting an interim use permit to allow Minnesota Life College to use the property at 2000 West 76th Street for social, meeting and office space for their Community Living Program.**

**EXECUTIVE SUMMARY:**

Minnesota Life College is a nonprofit vocational and life skills training program for young adults with learning differences and autism spectrum disorders that has been operating out of the Colony Apartments in Richfield for 20 years. The curriculum includes helping students make successful transitions towards independent living and financial self-sufficiency. Members of the Community Living Program have graduated from Minnesota Life College and access the program for social connection and independent living support.

The property at 2000 West 76th Street is a single family home that has been vacant and on the market for more than a year. Minnesota Life College has applied for an interim use permit to use the property for social, meeting and office space for their Community Living Program. The interior of the property would need to be updated to meet accessibility standards. Only minor changes are proposed for the exterior, including the addition of deck/patio space and landscaping, and no major expansions or additions to the property are proposed at this time. The property is zoned Single Family Residential (R), and the proposed use is not currently permitted by the Zoning Code, therefore, an interim use permit is necessary. Staff has reviewed the proposed use and finds that it will maintain the residential character of the property while bringing an active use to a property that has been vacant for some time. Staff recommends approval of a 1-year interim use permit with a contingent 4-year extension (to be issued administratively) if there are no major issues or serious complaints in the first year of operation.

**RECOMMENDED ACTION:**

**By motion: Approve the resolution granting an interim use permit allowing Minnesota Life College to use the property at 2000 West 76th Street for social, meeting and office space for their Community Living Program.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

Discussed in Executive Summary.

**B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

The purpose of an interim use permit is to allow a use that may not be compatible with the Comprehensive Plan to operate for a limited period of time. The Council may waive ordinance provisions upon a finding that the temporary nature of the interim use will eliminate the adverse effects the provisions were intended to prevent. The Council must find that the temporary nature of this permit makes the nonconforming use permissible at this time. In evaluating a request for an interim use permit, the Planning Commission and City Council shall also consider its compliance with the criteria outlined in Subsection 547.15 of the City Code, further articulated in the attached document.

By Ordinance, interim use permits terminate upon the occurrence of any of the following events, whichever first occurs:

1. The date stated in the permit; or
2. Upon violation of conditions under which the permit was issued.

Should Minnesota Life College wish to continue this use beyond the maximum five-year length of the interim use permit, options could include the following:

1. Apply for a new interim use permit; or
2. Request an ordinance change to allow this use in the R zoning district; or
3. Request that the property be rezoned to another zoning district.

**C. CRITICAL TIMING ISSUES:**

60-DAY RULE: The 60-day clock 'started' when a complete application was received on July 20, 2016. A decision is required by September 18, 2016 OR the Council must notify the applicant that it is extending the deadline (up to a maximum of 60 additional days or 120 days total) for issuing a decision.

**D. FINANCIAL IMPACT:**

The required application processing fee has been paid.

**E. LEGAL CONSIDERATION:**

- A public hearing was held before the Planning Commission on August 22, 2016.
- Notice of the required public hearing was published in the Sun Current newspaper and mailed to properties within 350 feet of the site.
- The Planning Commission recommended approval of the interim use permit (5-0).

**ALTERNATIVE RECOMMENDATION(S):**

- Approve an interim use permit for a different length of time (up to five years maximum).
- Approve an interim use permit with additional conditions.
- Deny with a finding that the requirements necessary to issue an interim use permit are not met.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

Amy Gudmestad, Executive Director of Minnesota Life College

**ATTACHMENTS:**

Description	Type
❑ Resolution - interim use permit	Resolution Letter
❑ Requirements Attachment	Backup Material
❑ Project narrative, Site Plan, Zoning maps	Backup Material

**RESOLUTION APPROVING AN  
INTERIM USE PERMIT  
TO ALLOW SOCIAL, MEETING, AND OFFICE SPACE  
FOR USE BY MINNESOTA LIFE COLLEGE  
AT 2000 WEST 76TH STREET**

**WHEREAS**, the City of Richfield (the City) adopted a Comprehensive Plan in 2009 to guide the development of the community; and

**WHEREAS**, the City has adopted a Zoning Ordinance or other official controls to assist in implementing the Comprehensive Plan; and

**WHEREAS**, an application has been filed with the City of Richfield, which requests an interim use permit to allow Minnesota Life College (the "Applicant") to develop space for social, meeting, and office uses at property legally described as follows:

The South 183.1 feet of the following described tract: That part of the South 1/4 of the Northwest 1/4 of the Southwest 1/4 of Section 33, Township 28, North, Range 24, West of the 4th principal meridian described as follows: Beginning at a point on the South line thereof distant 983.1 feet East of West line thereof; thence North parallel with the West line thereof 328.1 feet to a point; thence West on line parallel with the South line thereof 131 feet to a point; thence South line on line parallel with the West line thereof 328.1 feet to a point; thence East on a straight line 131 feet to the place of beginning, Hennepin County, Minnesota.

**WHEREAS**, the Property is zoned Single Family Residential (R); and

**WHEREAS**, office and meeting space uses are not permitted as a principal use of property in this zoning district; and

**WHEREAS**, the City Council finds that the temporary nature of the proposed interim use eliminates the adverse effects the prohibition was intended to prevent; and

**WHEREAS**, the Planning Commission held a public hearing on August 22, 2016 to review the application for an interim use permit, following mailed and published notice as required by law; and

**WHEREAS**, the City Council has reviewed all materials submitted by the Applicant; considered the oral and written testimony offered by the applicant and all interested parties; and has now concluded that the application is in compliance with all applicable standards and can be considered for approval.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Richfield, Minnesota, as follows:

1. The proposed interim use permit request meets all applicable conditions and restrictions stated in Subsection 547.15 of the 2007 Zoning Ordinance except as follows:  
The proposed interim use is not a permitted primary use in the Single Family Residential (R) Zoning District. In accordance with Subsection 547.15 Subd. 3e the City Council finds that the temporary nature of the interim use eliminates the

detriment that a non-residential primary use will have to a residential area. The property is located on a corner lot, and is adjacent to other single family residential properties to the north, west, and east, and to the Best Buy headquarters building to the south. Woodlake Lutheran Church, Richfield Middle School, and numerous multi-family properties are also located nearby. Minnesota Life College has operated out of the Colony Apartments located one block to the east for 20 years.

2. An interim use permit for social, meeting, and office space by Minnesota Life College at the property legally described above, as described in City Council Staff Report No. \_\_\_\_\_ is approved with the following conditions:
  - a. The interim use permit will expire one (1) year from the date a certificate of occupancy is issued (tentatively June 1, 2017), or upon violation of the conditions under which the permit was issued, whichever occurs first.
  - b. The Community Development Director may issue an administrative extension of this permit for up to four additional years if there are no major issues or serious complaints in the first year of operation. The interim use permit shall be reviewed periodically by the City to ensure compliance with the conditions set forth in this resolution.
  - c. The annual monitoring fee, as dictated by City Code, will apply to this extension.
  - d. If building permits have not been issued and substantial work has not been performed, the permit shall expire one year from the date of approval below.

Adopted by the City Council of the City of Richfield, Minnesota this 13th day of September 2016.

\_\_\_\_\_  
Debbie Goettel, Mayor

ATTEST:

\_\_\_\_\_  
Elizabeth VanHoose, City Clerk

Interim Use Permit Requirements  
Subsection 547.15 Subd. 3.

- a) *The period of time for which the interim use permit is to be granted will terminate before any adverse impacts are felt upon adjacent properties.*

Staff recommends that the permit expire one year from its effective date, with a possible administrative extension of up to four additional years, contingent on there being no major issues or serious complaints in the first year of operation.

- b) *The use will terminate upon a date or event that can be identified with certainty. Interim use permits may not be granted for a period greater than five (5) years.*  
Staff recommends that the use terminate one year from the date a certificate of occupancy is issued (tentatively June 1, 2017), subject to the possible extension noted above in "a."

If building permits have not been issued and substantial work has not been performed, the permit shall expire one year from the date of approval, on September 13, 2017.

- c) *The use will not adversely impact the health, safety and welfare of the community during the period of the interim use.* The use of the property for social, meeting, and office space is not anticipated to adversely impact health, safety, or welfare.
- d) *The use is similar to existing uses in the area.* The property is located on a corner lot, and is adjacent to other single family residential properties to the north, west, and east, and to the Best Buy headquarters building to the south. Woodlake Lutheran Church, Richfield Middle School, and numerous multi-family properties are also located nearby. Minnesota Life College has operated out of the Colony Apartments located one block to the east for 20 years.
- e) *An interim use shall conform to zoning regulations except the City Council may waive ordinance provisions upon a finding that the temporary nature of the interim use will eliminate the adverse effects the provisions were intended to prevent.* See above, letters "b" and "c."
- f) *There is adequate assurance that the property will be left in suitable condition after the use is terminated.* The interior of the property will be updated to meet accessibility standards. Minimal changes are proposed to the exterior of the property, including the addition of deck/patio space and landscaping. No major expansions or additions to the property are proposed at this time.
- g) *By agreement, the use will not impose additional costs on the public if it is necessary for the public to take the property in the future.* The property owner has signed a consent agreement agreeing to this condition.
- h) *The property owner, by agreement, agrees to any conditions that the City Council has deemed appropriate for permission of the use, including a condition that the owner will provide an appropriate financial surety to cover the cost of removing the interim use and interim structures upon the expiration of the interim use permit.* The property owner is aware of all conditions
- i) *The property owner agrees to abide by any additional conditions that the Council deems appropriate for permission of the use.* The property owner is aware of all conditions.



## **Minnesota Life College's**

### **CLP House Project**

**2000 W.76<sup>th</sup> Street, Richfield, MN 55423**

#### **The Community Living Program**

The Community Living Program (CLP) is designed for adults with learning differences and autism spectrum disorders who are living independently and employed in Richfield and surrounding communities. Individuals in this program have successfully graduated from Minnesota Life College's independent living and employment skills training program, and access the Community Living Program for social connection and independent living support.

The Community Living Program is proposing to occupy the residence at 2000 W.76<sup>th</sup> Street, Richfield, MN and utilize it as a social, meeting and small office space. The property has most recently been a single family home, although it has been vacant for over one year.

#### **Current Conditions**

The Property is located within a single family residential neighborhood in the city of Richfield. It sits on the north side of 76<sup>th</sup> street, with Best Buy Corporate headquarters on the south side of the street. It is 1 block west of the Colony Apartments, where Minnesota Life College has been operating for 20+ years. One block to the east is the Woodlake Lutheran church, which has been the location of MLC's large group meeting space for the last decade, and it is one block south of the Richfield Middle School and Donaldson Park. The Property is on a corner lot, bordered by two single family residences. The driveway is accessible via Morgan Avenue.

The Property consists of 0.36 acres of land and currently exists as a single family home containing 2407 square feet and a detached 2 car garage. There are currently 4 parking spaces on the existing driveway. The house was built in 1941. There are 3 levels to this residence; main floor, basement and second story. The second story was added in 1995.

In terms of architecture, the building structure appears sound. A full inspection will be conducted as part of the purchase agreement.

#### **Proposed Use**

The CLP plans to utilize the existing structure as a social, meeting and small office space for the Community Living Program. The house could be used as follows:

1. Office space: 2-5 CLP employees will work in the house, providing care coordination activities and individual support as needed
2. Accommodation: individuals in the MLC community may use bedroom space as needed
3. Individual CLP members using the computer lab, meeting with CLP employees, etc.
4. Small groups of CLP members watching television, playing video games, cooking in the kitchen together, participating in craft clubs, etc.
5. Groups of 10-12 members attending classes on healthy living, board game night, etc.
6. Outdoor activities such barbeques, gardening and lawn games, typically in the early evening and on weekends

Maximum occupancy is estimated to be 20-30 adults. The majority of CLP members do not drive; therefore, parking is not believed to be a concern. If the concern arises, parking spots at either The Colony apartments or Woodlake Lutheran Church may be obtained, as both are longstanding partners of Minnesota Life College.

The CLP House will not be considered a public facility; it will be solely for the use of the Community Living Program members and program employees.

### **Proposed Improvements**

The exterior of the residence will maintain its current residential appearance; however, there will be modifications in the interior to accommodate the needs of the Community Living program. Interior modifications would include:

- Updating the main floor to meet current accessibility standards
- Remodeling restrooms
- Adding technology infrastructure to support house activities

Although future needs of the CLP may require significant changes to the property, the current site plan application does not involve any expansion or additions to the building at this time.



## Conclusion

The proposed CLP House provides the opportunity to convert a residence which has been vacant for several years into active use that will serve the needs of graduates of Minnesota Life College and provide a well-cared for home exterior and landscaping that fits nicely into the neighborhood. The proposed use of the home will maintain a residential look and allow for learning to take place, friendships to be built and resources to be provided for life-long independent living in the City of Richfield, which our graduates call home.



## CONSENT AGREEMENT

WHEREAS, on November 13, 2007 the City Council of the City of Richfield adopted Ordinance No. 2007-19, which establishes a framework for regulating temporary use of land through the issuance of interim use permits; and

WHEREAS, Section 547.15 Subdivision 2 of this Ordinance requires an applicant for an interim use permit to sign a Consent Agreement wherein the applicant acknowledges and agrees that the proposed interim use will not impose additional costs on the public if there is a future need for public acquisition of the applicant's property through eminent domain, that the applicant has no entitlement to future reapproval of the interim use permit and that the applicant will abide by the conditions of approval that the City Council attaches to the interim use permit;

NOW, THEREFORE, Minnesota Life College, as applicant for  
an interim use permit for social, recreational, residential 2000 W. 76<sup>th</sup> Street  
(use of property) limited offices (location)  
Richfield, MN 55423 as follows:

1. The applicant acknowledges that the proposed use is temporary and terminates upon expiration of the interim use permit. The applicant has no legal or equitable right to future reapproval of the interim use permit and must file a new application for that purpose.
2. The applicant will comply with all conditions imposed by the City Council on the interim use permit.
3. This Consent Agreement shall be binding on any owner, operator, tenant and/or user of the property for which the interim use permit has been granted and the applicant is authorized to sign this Consent Agreement on behalf of said owner, operator, tenant and/or user of the property.

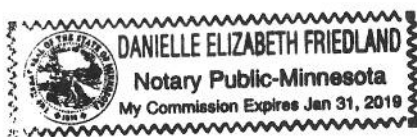
DATED: 7/12/16

Applicant Erny Gudmundsdottir  
Executive Director of  
Minnesota Life College

[illegible]

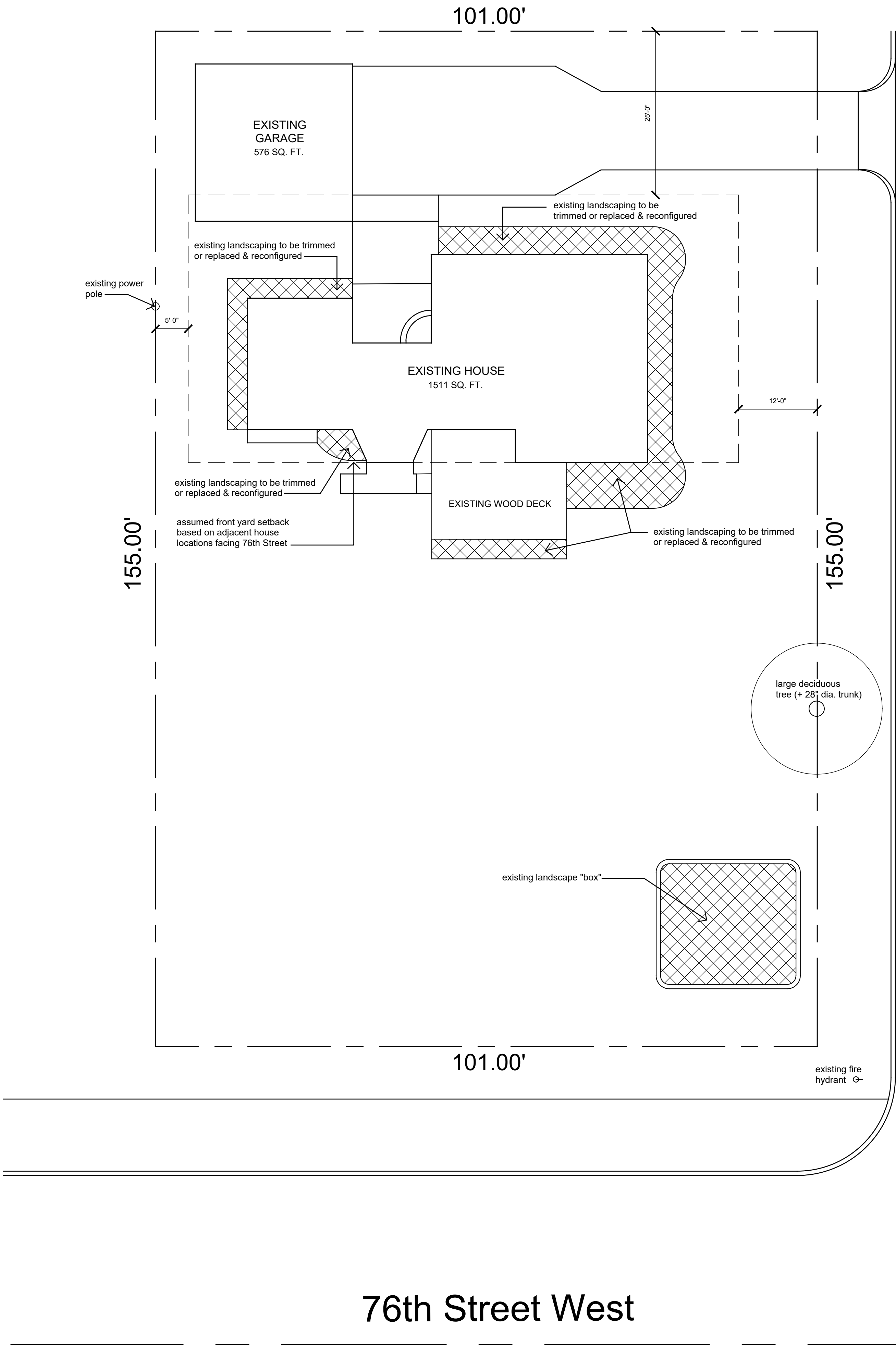
The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of July, 2016 by Amy Gudmestad, the Executive Director of MN Life College, a Minnesota Non Profit, on behalf of said company.

Daniel Huedland  
Notary Public





EXISTING SITE PLAN



Morgan Avenue South

76th Street West

STREET ADDRESS:

2000 76TH STREET WEST  
RICHFIELD, MN 55423

LEGAL DESCRIPTION:

The South 183.1 feet of the following described tract:  
That part of the South 1/4 of the Northwest 1/4 of the  
Southwest 1/4 of Section 33, Township 28, North,  
Range 24, West of the 4th principal meridian described  
as follows: Beginning at a point on the South line thereof  
distant 983.1 feet East of West line thereof; thence North  
parallel with the West line thereof 328.1 feet to a point;  
thence West on line parallel with the South line thereof  
131 feet to a point; thence South line on line parallel  
with the West line thereof 328.1 feet to a point; thence  
thence East on a straight line 131 feet to the place of  
beginning, Hennepin County, Minnesota.

SITE TABULATIONS:

LOT ZONED AS: R Single Family

LOT AREA:  
15,655 Square Feet = .36 Acres

MAXIMUM LOT COVERAGE ALLOWED:  
5,479 s.f. Allowed = 15,655 s.f. X 35%

1,511 s.f. = Existing House  
576 s.f. = Existing Garage

2,087 s.f. = Total Existing Lot Coverage

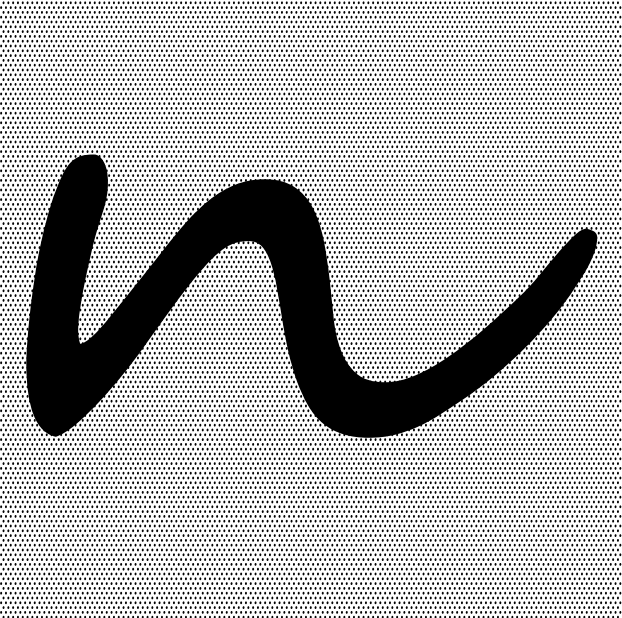
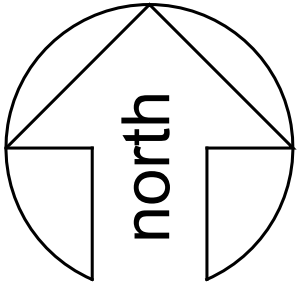
MAXIMUM IMPERVIOUS SURFACE ALLOWED:  
7, 045 s.f. Allowed = 15,655 s.f. x 45%

2,087 s.f. = Existing House/Garage  
1,115 s.f. = Existing Driveway  
350 s.f. = Existing Sidewalks  
312 s.f. = Existing Wood Deck

3, 864 s.f. = Total Existing Impervious Surface

SITE PLAN NOTES:

This Architectural Site Plan shows  
approximate location and is not to  
be used in lieu of a certified survey  
prepared by a licensed surveyor.



NICOLELLI ARCHITECTS

5950 - H Teakwood Lane N., Plymouth, MN 55442  
phone/fax: 763.551.9357

Certification

I hearby certify that this plan, specification,  
or report was prepared by me or under my  
direct supervision and that I am a duly  
Registered Architect under the laws of the  
State of Minnesota.

Print Name:

Signature:

Date: Reg No.

Project Address

2000 76th Street W.  
Richfield, MN 55423

Project Owner

Minnesota Life College

7501 LOGAN AVENUE, SUITE 2A  
RICHFIELD, MINNESOTA 55423

Sheet Title

+ Architectural Site  
Plan - Existing  
Conditions

Revisions

△	DATE	DESCRIPTION
1	XXX	XXX
2		
3		
4		
5		

Submittal Date

Commission No.: 16-50

Drawn by: EJN

Checked by:

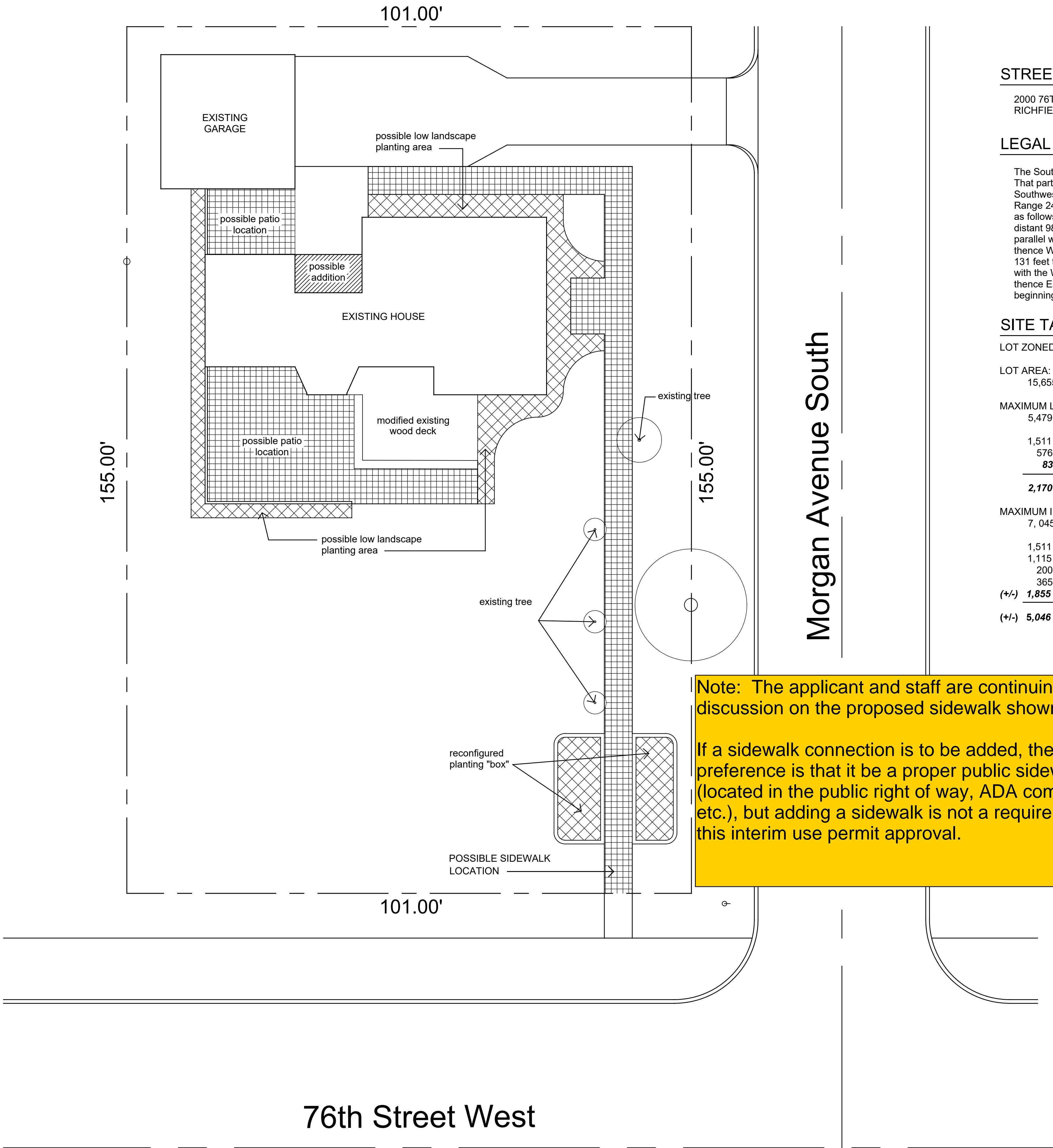
City Review/Approval: July 18, 2016

Preliminary Bid:

Issued for Construction:

These plans are copyrighted and are subject to copyright protection as an  
"Architectural Work" under section 203 of the Copyright Act 17 U.S.C., as amended  
December 1, 1990. The protection includes, but is not limited to, the overall form as  
well as the arrangement and composition of the spaces and elements of the design.  
Under such protection unauthorized use of these plans, work or forms represented  
can legally result in the cessation of such construction or buildings being seized  
and/or razed.

PROPOSED SITE PLAN



Note: The applicant and staff are continuing discussion on the proposed sidewalk shown.

If a sidewalk connection is to be added, the City's preference is that it be a proper public sidewalk (located in the public right of way, ADA compliant, etc.), but adding a sidewalk is not a requirement of this interim use permit approval.

STREET ADDRESS:

2000 76TH STREET WEST  
RICHFIELD, MN 55423

LEGAL DESCRIPTION:

The South 183.1 feet of the following described tract: That part of the South 1/4 of the Northwest 1/4 of the Southwest 1/4 of Section 33, Township 28, North, Range 24, West of the 4th principal meridian described as follows: Beginning at a point on the South line thereof distant 983.1 feet East of West line thereof; thence North parallel with the West line thereof 328.1 feet to a point; thence West on line parallel with the South line thereof 131 feet to a point; thence South line on line parallel with the West line thereof 328.1 feet to a point; thence East on a straight line 131 feet to the place of beginning, Hennepin County, Minnesota.

SITE TABULATIONS:

LOT ZONED AS: R Single Family

LOT AREA:  
15,655 Square Feet = .36 Acres

MAXIMUM LOT COVERAGE ALLOWED:  
5,479 s.f. Allowed = 15,655 s.f. X 35%

1,511 s.f. = Existing House  
576 s.f. = Existing Garage  
**83 s.f. = Possible House Addition**

**2,170 s.f. = Total Lot Coverage with Addition**

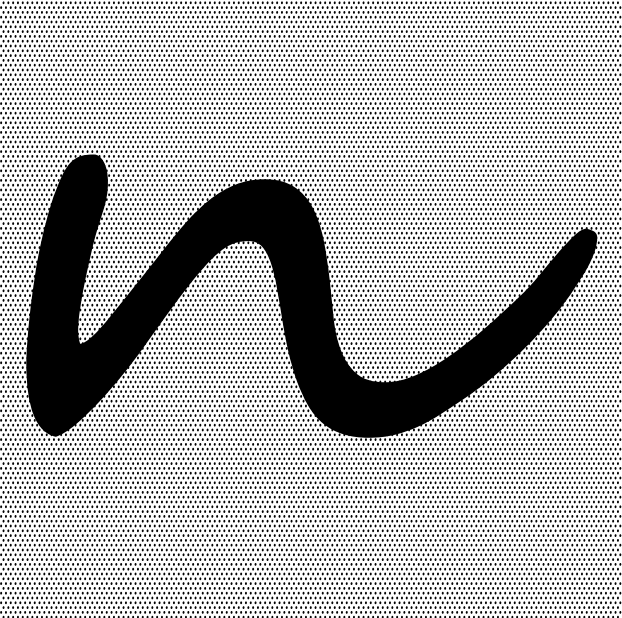
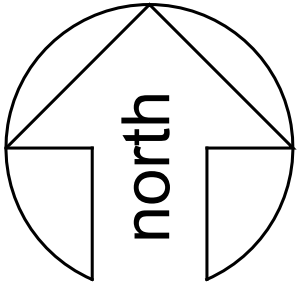
MAXIMUM IMPERVIOUS SURFACE ALLOWED:  
7,045 s.f. Allowed = 15,655 s.f. x 45%

1,511 s.f. = Existing House/Garage  
1,115 s.f. = Existing Driveway  
200 s.f. = Existing Sidewalks  
365 s.f. = Modified Wood Deck  
(+/-) **1,855 s.f. = Possible Patio and Sidewalk Location**

(+/-) **5,046 s.f. = Total Impervious Surface with Patios & Sidewalk Addition**

SITE PLAN NOTES:

This Architectural Site Plan shows approximate location and is not to be used in lieu of a certified survey prepared by a licensed surveyor.



NICOLELLI ARCHITECTS

5950 - H Teakwood Lane N., Plymouth, MN 55442  
phone/fax: 763.551.9357

Certification

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Registered Architect under the laws of the State of Minnesota.

Print Name:

Signature:

Date: Reg No:

Project Address

2000 76th Street W.  
Richfield, MN 55423

Project Owner

Minnesota Life College

7501 LOGAN AVENUE, SUITE 2A  
RICHFIELD, MINNESOTA 55423

Sheet Title

+ Architectural Site  
Plan - Existing  
Conditions

Revisions

△	DATE	DESCRIPTION
1	XXX	XXX
2		
3		
4		
5		

Submittal Date

Commission No.: 16-50

Drawn by: EJN

Checked by:

City Review/Approval: July 18, 2016

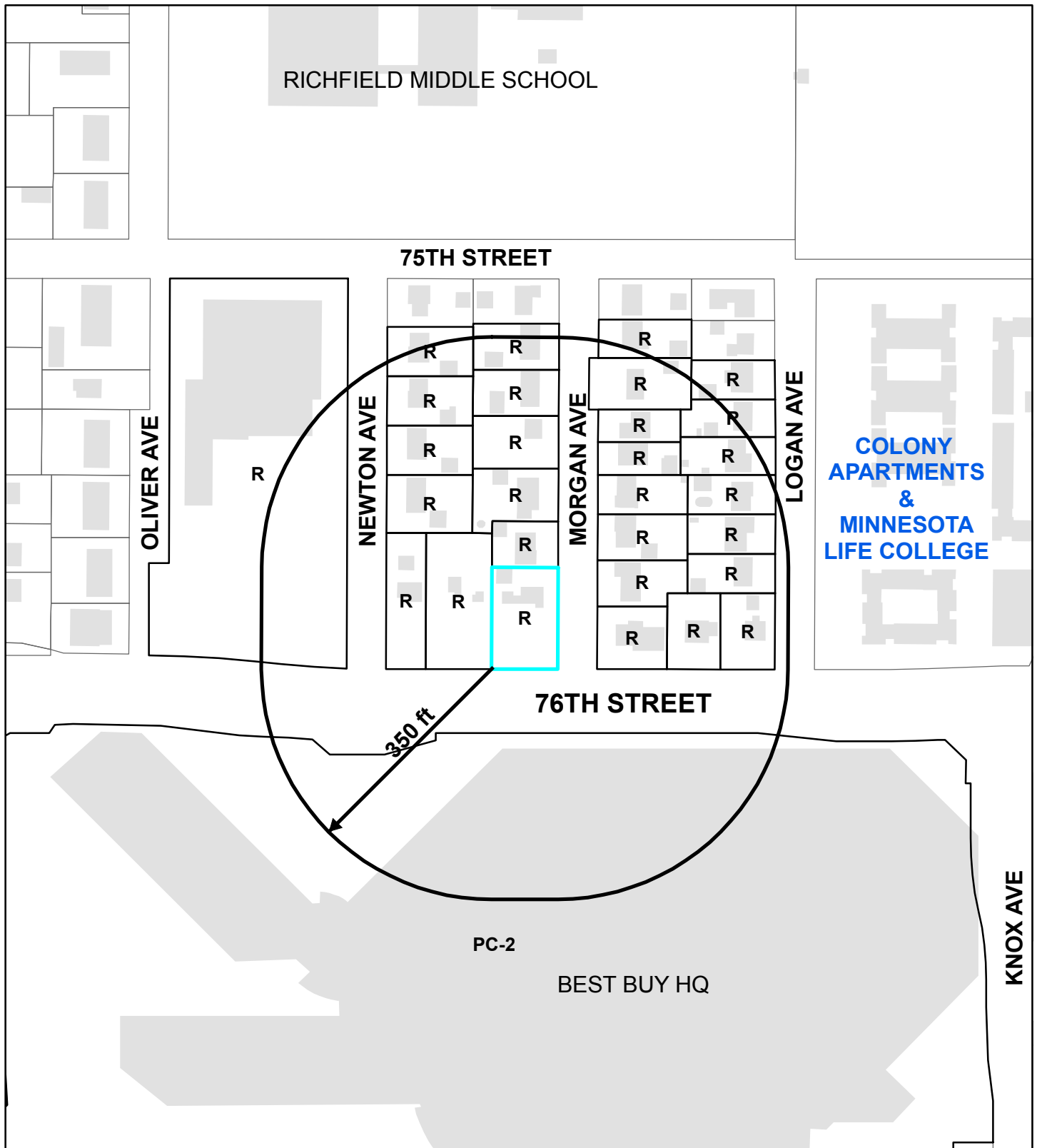
Preliminary Bid:

Issued for Construction:

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# 2000 W 76th Street - IUP 8/2016

## Surrounding Zoning



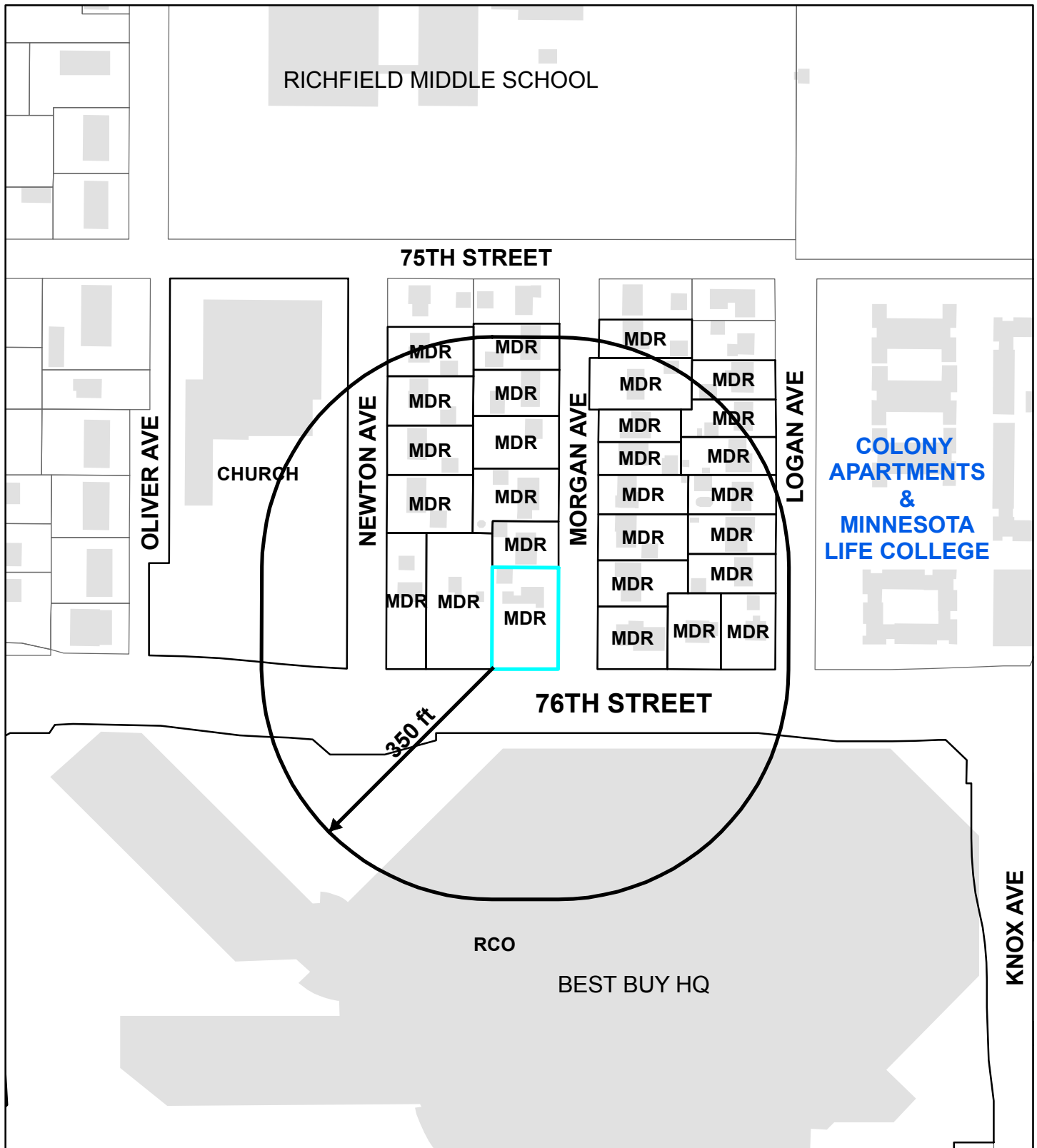
R - Single Family Residential  
 PC-2 - Planned General Commercial

0 125 250 500 750 1,000 Feet

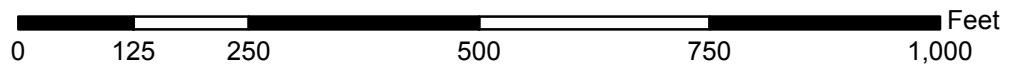


# 2000 W 76th Street - IUP 8/2016

## Surrounding Comprehensive Plan



MDR - Medium Density Residential  
RCO - Regional Commercial/Office







**STAFF REPORT NO. 129**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Pam Dmytrenko, Assistant City Manager/HR Mgr.

DEPARTMENT DIRECTOR REVIEW: Steven Devich  
9/7/2016

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of the approval of a resolution relating to the residency of youth appointments to City advisory boards and commissions to allow for the appointment of non-residents who are actively enrolled in a Richfield high school or equivalent within the City of Richfield.**

**EXECUTIVE SUMMARY:**

In December 2015, the Richfield City Council considered numerous changes to the city code provisions that relate to city advisory boards and commissions. During that process, the City Council re-iterated its desire to have more youth participation on commissions and youth members were added to several commissions.

According to feedback from commission chairpersons and staff liaisons, these youth are making important contributions to their respective commissions and their input has proven valuable to the issues being considered.

Recently, the family of a youth commissioner who is actively enrolled in Richfield High School, moved out of the community. This youth commissioner will remain enrolled at RHS and wishes to complete her term on her commission. She has the strong support of her commission chairperson and fellow commissioners.

Under Richfield City Code, Subsection 305.01, subd. 4, "except as otherwise provided for by resolution of the Council, youth members must be residents of the City and enrolled in a high school or equivalent." In order to provide flexibility, in certain circumstances, for commissions and boards to retain youth commissioners who may become non-residents, staff is proposing consideration of the resolution giving discretion to each commission or board to do so.

**RECOMMENDED ACTION:**

**By motion: Approve a resolution relating to the residency of youth appointments to City advisory boards and commissions to allow for the appointment of non-residents who are actively enrolled in a Richfield high school or equivalent within the City of Richfield.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

As previously noted in the Executive Summary, current city code does not allow for non-resident youth to be appointed to city advisory boards and commissions. The proposed resolution provides boards and

commissions the flexibility to appoint and/or retain youth commissioners who are non-residents as long as they are actively enrolled in a Richfield high school or equivalent within the City of Richfield. This is in response to a situation where a current youth commissioner is moving out of Richfield, but remaining actively enrolled in a Richfield high school and wishes to finish her term on her city commission.

**B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

- Under Richfield City Code Subsection 305.01, subd. 4, "except as otherwise provided for by resolution of the Council, youth members must be residents of the City and enrolled in a high school or equivalent. The proposed resolution would allow for non-resident youth appointments as long as they are actively enrolled in a Richfield high school or equivalent within the City of Richfield.

**C. CRITICAL TIMING ISSUES:**

- This resolution coincides with a current, open youth recruitment process.
- There is currently a youth commissioner whose status on a commission is unresolved until this resolution is considered.

**D. FINANCIAL IMPACT:**

None

**E. LEGAL CONSIDERATION:**

This item has been reviewed by the City Attorney.

**ALTERNATIVE RECOMMENDATION(S):**

Do not approve the resolution or amend it.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

None

**ATTACHMENTS:**

Description	Type
☐ Youth appointment resolution	Cover Memo



**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION RELATING TO THE RESIDENCY OF YOUTH APPOINTMENTS  
TO CITY ADVISORY BOARDS AND COMMISSIONS**

**BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota as follows:

**WHEREAS**, the City Council has established from time to time Boards and Commissions to serve in an advisory capacity to the City Council; and

**WHEREAS**, it is the policy of the City Council to seek and involve youth members as a way of adding youth input into the policy process;

**WHEREAS**, the Richfield City Code Subsection 305.01, subd. 4, provides that “except as otherwise provided for by resolution of the Council, youth members must be residents of the City and enrolled in a high school or equivalent”; and

**WHEREAS**, the City Council wishes to provide flexibility in certain circumstances in order to allow Commissions and Boards to retain youth commissioners.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield as follows:

1. City Advisory Boards and Commissions may appoint youth members who are non-residents if the youth member is actively enrolled in a Richfield high school or equivalent within the City of Richfield.
2. Appointment of a non-resident youth member pursuant to this Resolution is not mandatory, but discretionary with each respective Board or Commission.

Adopted by the City Council of the City of Richfield, Minnesota this 13<sup>th</sup> day of September, 2016.

---

Debbie Goettel, Mayor

ATTEST:

---

Elizabeth VanHoose, City Clerk



**STAFF REPORT NO. 130**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Jay Henthorne, Public Safety Director/Chief of Police

DEPARTMENT DIRECTOR REVIEW: Jay Henthorne, Public Safety Director  
9/2/2016

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Steven L. Devich  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

Consideration of the approval of a resolution to accept a grant of \$5,830.00 from the Office of Justice Programs for bullet proof vests.

**EXECUTIVE SUMMARY:**

The U.S Department of Justice, Office of Justice Programs, through their Bulletproof Vest Partnership/Body Armor Safety Initiative (BVP), created by the Bulletproof Vest Partnership Grant Act of 1998, is designed to provide a critical resource to state and local law enforcement. The Richfield Department of Public Safety has participated in this grant since 2003. This grant allows the department to continually replace bulletproof vests that are out of warranty coverage.

**RECOMMENDED ACTION:**

**By Motion: Approve the resolution accepting the grant of 5,830.00 from the Office of Justice Programs for bullet proof vests.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

- Since 1999, the BVP program has awarded more than 13,000 jurisdictions a total of \$412 million in for the purchase of over one million vests (1,235,593 as of January 2016).
- The Richfield Department of Public Safety has received a total of \$62,361.70 in over ten years.
- Based on data collected and recorded by BJA staff, in FY 2012, protective vests were directly attributable to saving the lives of at least 33 law enforcement and corrections officers, in 20 different states; an increase of 13.7% over FY 2011. At least 14 of those life saving vests were purchased with BVP funds.
- BVP funds cover 50% of the cost of an individual vest.

**B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

- Minnesota Statute 465.03 requires that every acceptance of a grant of devise of real or personal property on terms prescribed by the donor be made by resolution of more than two-thirds majority of the City Council.
- The Administrative Services Department issued a memo on November 9, 2004, requiring that all grants and restricted donations to departments be received by resolution and passed by more

than two-thirds majority of the City Council in accordance with Minnesota Statute 465.03.

**C. CRITICAL TIMING ISSUES:**

The Bulletproof Vest Partnership requires that the vests are ordered on or after April 1, 2016. The deadline to request payments from the FY 2016 award funds is August 31, 2018, or until all available FY 2016 funds have been exhausted.

**D. FINANCIAL IMPACT:**

The amount of the grant is \$5,830.02.

**E. LEGAL CONSIDERATION:**

There are no legal considerations.

**ALTERNATIVE RECOMMENDATION(S):**

Council could deny the resolution to accept the grant from the Department of Justice, Office of Justice Programs; however, the contributions would help defray the costs of replacing the bulletproof vests for the Department of Public Safety.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

None.

**ATTACHMENTS:**

Description	Type
□ Resolution	Cover Memo

## **RESOLUTION NO.**

### **RESOLUTION APPROVING THE GRANT WITH THE U.S. DEPARTMENT OF JUSTICE, OFFICE OF JUSTICE PROGRAMS AND RICHFIELD POLICE FOR BULLETPROOF VESTS**

**WHEREAS**, following two years of declining law enforcement officer line-of-duty deaths, the country realized a dramatic 37 percent increase in officer deaths in 2010. Fifty-nine of the 160 officers killed in 2010 were shot during violent encounters; a 20 percent increase over 2009 numbers; and,

**WHEREAS**, the U.S. Department of Justice is committed to improving officer safety and has undertaken research to review and analyze violent encounters and law enforcement officer deaths and injuries; and,

**WHEREAS**, the Bulletproof Vest Partnership (BVP) was created by the Bulletproof Vest Partnership Grant Act of 1998 and is a unique U.S. Department of Justice initiative designed to provide a critical resource to state and local law enforcement; and,

**WHEREAS**, the Richfield Department of Public Safety has been informed that a grant has been awarded to the department by the U.S. Department of Justice, Office of Justice Programs under their Bulletproof Vest Partnership (BVP) program, for \$5,830.00 for the purchase of ballistic vests; and,

**WHEREAS**, the BVP grant is under the Fiscal Year 2016 BVP awards, allowing purchases beginning on or after April 1, 2016 until August 31, 2018, or until all available 2016 award funds have been requested.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota, that the Public Safety Department and the Deputy Director of Public Safety will enter into an agreement to receive grant money for Richfield's bulletproof vest expenditures as outlined in the agreement.

Adopted by the City Council of the City of Richfield, Minnesota this 13th day of September 2016.

---

Debbie Goettel, Mayor

ATTEST:

---

Elizabeth VanHoose, City Clerk



**STAFF REPORT NO. 131**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Betsy Osborn, Support Services Manager

DEPARTMENT DIRECTOR REVIEW: Jay Henthorne, Public Safety Director  
9/2/2016

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of the approval of a request for the temporary expansion of the licensed premises for Davanni's, located at 6345 Penn Avenue South, to allow for the outside service of strong beer on Sunday, September 18, 2016, in conjunction with Richfield's Open Streets at Penn Fest event.**

**EXECUTIVE SUMMARY:**

On August 24, 2016, Davanni's requested permission to serve strong beer outside in the parking lot area of their licensed establishment in conjunction with Richfield's Open Streets at Penn Fest event. While Davanni's is currently licensed to sell wine and strong beer, their license is only valid for the interior area of their business and does not allow for outside service of alcohol.

This request for a temporary expansion of the licensed premises for Davanni's would allow for the service of strong beer only, and would be valid only on Sunday, September 18, 2016, from 12:00 p.m. to 4:00 p.m. during Richfield's Open Streets at Penn Fest event.

All required information and documents have been provided.

The Director of Public Safety has reviewed all required information and documents and has found no basis for denial.

**RECOMMENDED ACTION:**

**By Motion: Approve the request for a temporary expansion of the licensed premises for Davanni's, located at 6345 Penn Avenue South, to allow for the outside service of strong beer on Sunday, September 18, 2016, in conjunction with Richfield's Open Streets at Penn Fest event.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

The following requirements have been met:

- The City has been provided with a written narrative and drawing of the parking area showing how Davanni's will control the flow of patrons purchasing beer and how they will be contained and monitored.
- Proof of liquor liability insurance covering the exterior of the premises has been provided

showing Christensen Group Insurance affording the coverage.

- The applicant has contacted the food sanitarians from the City of Bloomington to ensure proper food handling practices are followed.

**B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

Richfield City Code Section 1202.05 requires all applicants to comply with all of the provisions of this code, as well as the provisions of Minnesota Statute Chapter 340A.

**C. CRITICAL TIMING ISSUES:**

There are no critical timing issues.

**D. FINANCIAL IMPACT:**

This is a temporary expansion for the premises of their current alcohol license, so no fee is required for the temporary expansion permit.

**E. LEGAL CONSIDERATION:**

Minnesota Statute 340A.410, Subd. 7, states a licensing authority may issue a retail alcoholic beverage license only for a space that is compact and contiguous and the retail alcoholic beverage license is only effective for the licensed premises specified in the approved application which, in this case, is the interior of their business only. In previous years, the city attorney has advised the staff that the Council would need to approve an expansion beyond the interior walls of any establishment not already licensed for outdoor service.

**ALTERNATIVE RECOMMENDATION(S):**

The Council could deny the request for the temporary expansion of the licensed premises for Davanni's. This would mean the applicant would not be able to serve strong beer outside in the parking lot area of their establishment during Richfield's Open Streets at Penn Fest event.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

Melissa Morrissette - General Manager

**ATTACHMENTS:**

Description	Type
□ Narrative and drawing of alcohol service	Backup Material
□ Davanni's Expansion Insurance	Backup Material

# DAVANNI'S®

## PIZZA & HOT HOAGIES

RECEIVED AUG 24 2016

Request for Temporary Expansion of our premises to serve beer outside at Penn Fest

Penn Fest is Sunday, September 18<sup>th</sup> from 12pm -4pm

We will section off a 32 foot x 32 foot square along the West Side of our building and the South Side of our parking lot. We will be using hurricane fencing.

We will have employees out selling beer at a table. We will have an employee checking identification. Wrist Bands will be used, so that seller is confident that identification has been checked. We will have some tables available in this area, as well.

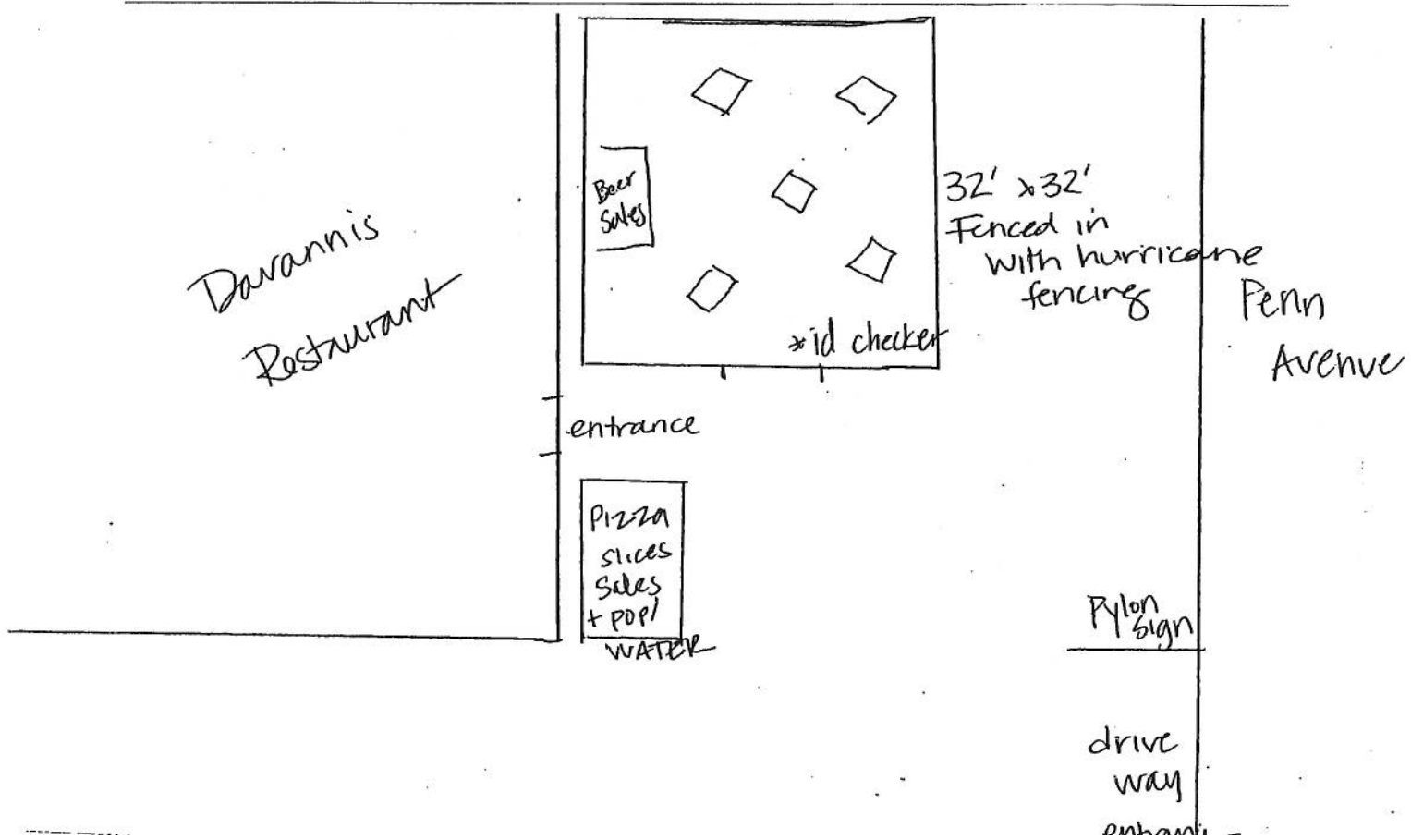
Our pizza tent where slices will be served will be outside of this area, this will keep the beer area easy to monitor.

Below is a drawing of the parking lot area.

Thanks for considering this opportunity.

Melissa Morrisette – General Manager

Davanni's  
6345 Penn Ave South  
Richfield MN 55423  
612/866-3324







# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/25/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Christensen Group Insurance 11100 Bren Road West  Minnetonka MN 55343		<b>CONTACT NAME:</b> Barb Michaels <b>PHONE (A/C No. Ext):</b> (952) 653-1000 <b>E-MAIL ADDRESS:</b> bmichaels@christensengroup.com <b>FAX (A/C No):</b> (952) 653-1100	
<b>INSURED</b> DAVANNI'S, INC. 1100 Xenium Ln N Ste 2  Plymouth MN 55441		<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: West Bend Mutual INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
		<b>NAIC #</b> 15350	

**COVERAGES**

CERTIFICATE NUMBER: 16-17 GL Master

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		1856645 (Bakery) 1836737 (Pizzerias)	5/3/2016	5/3/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 200,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 GL Extension Endorsement \$ Included
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Comp Ded \$500 <input checked="" type="checkbox"/> Coll Ded \$500		1856645	5/3/2016	5/3/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Automobile Plus Pak \$ Included
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0		1856647	5/3/2016	5/3/2017	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	1856646	10/1/2015	10/1/2016	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Liquor Liability		1863743	5/3/2016	5/3/2017	Ea Common Cause 1,000,000 General Aggregate 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Location: 6345 Penn Avenue South, Richfield, MN - City of Richfield is included as an additional insured regarding General Liability as required by written contract. Includes coverage for Parking Lot during Penn Fest event.

**CERTIFICATE HOLDER****CANCELLATION**

City of Richfield  
Richfield, MN

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

George Buchok/BARBM





**STAFF REPORT NO. 132**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Betsy Osborn, Support Services Manager

DEPARTMENT DIRECTOR REVIEW: Jay Henthorne, Public Safety Director  
9/2/2016

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

Consideration of the approval of a request for the temporary expansion of the licensed premises for Thompson's Fireside Pizza, Inc., d/b/a Fireside Foundry, located at 6736 Penn Avenue South, to allow for the outside service of strong beer in their parking lot on Sunday, September 18, 2016, in conjunction with Richfield's Open Streets at Penn Fest event.

**EXECUTIVE SUMMARY:**

On August 25, 2016, Thompson's Fireside Pizza, Inc., d/b/a Fireside Foundry requested permission to serve strong beer outside in the parking lot area of their licensed establishment in conjunction with Richfield's Open Streets at Penn Fest event. While Fireside Foundry is currently licensed to sell intoxicating liquor, their license is only valid for the interior and outside patio areas of their business and does not allow for outside service, beyond the patio, of alcohol.

This request for a temporary expansion of the licensed premises for Thompson's Fireside Pizza, Inc., d/b/a Fireside Foundry would allow for the service of strong beer only, and would be valid only on Sunday, September 18, 2016, from 12:00 p.m. to 4:00 p.m. during Richfield's Open Streets at Penn Fest event.

All required information and documents have been provided.

The Director of Public Safety has reviewed all required information and documents and has found no basis for denial.

**RECOMMENDED ACTION:**

**By Motion: Approve the request for a temporary expansion of the licensed premises for Thompson's Fireside Pizza, Inc., d/b/a Fireside Foundry, located at 6736 Penn Avenue South, to allow for the outside service of strong beer in their parking lot on Sunday, September 18, 2016, in conjunction with Richfield's Open Streets at Penn Fest event.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

The following requirements have been met:

- The City has been provided with a written narrative and drawing of the parking area showing how

Fireside Foundry will control the flow of patrons purchasing beer and how they will be contained and monitored.

- Proof of liquor liability insurance covering the exterior of the premises has been provided showing West Bend Mutual affording the coverage.
- Fireside Foundry will not be serving food beyond the currently licensed area.

**B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

Richfield City Code Section 1202.05 requires all applicants to comply with all of the provisions of this code, as well as the provisions of Minnesota Statute Chapter 340A.

**C. CRITICAL TIMING ISSUES:**

There are no critical timing issues.

**D. FINANCIAL IMPACT:**

This is a temporary expansion for the premises of their current alcohol license, so no fee is required for the temporary expansion permit.

**E. LEGAL CONSIDERATION:**

Minnesota Statute 340A.410, Subd. 7, states a licensing authority may issue a retail alcoholic beverage license only for a space that is compact and contiguous and the retail alcoholic beverage license is only effective for the licensed premises specified in the approved application which, in this case, is the interior of their business only. In previous years, the city attorney has advised the staff that the Council would need to approve an expansion beyond the interior walls of any establishment not already licensed for outdoor service.

**ALTERNATIVE RECOMMENDATION(S):**

The Council could deny the request for the temporary expansion of the licensed premises Fireside Foundry. This would mean the applicant would not be able to serve strong beer outside in the parking lot area of their establishment during Richfield's Open Streets at Penn Fest event.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

Kim Zeigler - Managing Partner

**ATTACHMENTS:**

Description	Type
☐ Fireside Foundry Drawing and Narrative	Backup Material
☐ Fireside Foundry Temporary Expansion Insurance	Backup Material

Fireside Foundry  
6736 Penn ave  
Richfield, mn 55423

Request for expansion permit:

Date: September 18<sup>th</sup> 2016

Times: 12pm-4pm

1. We will be serving canned beer only
2. The band will play from 12pm-4pm
3. The band (Rag Town) will be placed toward the back of the parking lot
4. Fireside parking lot has the gas station to the south, Fireside to the north and a fence on the west that borders the alley.
5. We will rope the front part of the parking lot that faces Penn ave and place 2 security persons to check id.
6. Liability insurance will be purchased through our insurance carrier – West Bend.

Thank you  
Kim Zeigler  
Managing Partner  
Fireside Foundry

Alley

BAND

TENT

BEER  
TUB

GARBAGE

gas station

Security

Security

Fireside

Tatoo



Penn Ave



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/26/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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<b>PRODUCER</b> Christensen Group Insurance 11100 Bren Road West  Minnetonka MN 55343		<b>CONTACT NAME:</b> Michelle Leonard <b>PHONE (A/C, No. Ext):</b> (952) 653-1000 <b>FAX (A/C, No):</b> (952) 653-1100 <b>E-MAIL ADDRESS:</b> mleonard@christensengroup.com	
<b>INSURED</b> Thompsons Fireside Pizza, Inc; DBA Fireside Foundry C/O KIM ZIEGLER 3410 150TH ST W ROSEMOUNT MN 55068		<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: West Bend Mutual INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
		<b>NAIC #</b> 15350	

**COVERAGES****CERTIFICATE NUMBER:** 16-17 Liab**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b>			1250047	1/1/2016	1/1/2017	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
							MED EXP (Any one person) \$ 1,000
							PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$ 3,000,000
	OTHER:						Voluntary Property Damage \$ 2,500
	<b>AUTOMOBILE LIABILITY</b>						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						
	<input type="checkbox"/> NON-OWNED AUTOS						
A	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b>			2201370	1/1/2016	1/1/2017	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> <b>EXCESS LIAB</b>						AGGREGATE \$ 1,000,000
	DED <input type="checkbox"/> RETENTION \$ <input type="checkbox"/>						
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>						PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
A	<b>LUQUOR LIABILITY</b>			1250068	1/1/2016	1/1/2017	AGGREGATE \$2,000,000
							EACH COMMON CAUSE \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate Holder is provided evidence of coverage as respects location 6736 Penn Ave S Richfield, MN.  
Coverage extends to parking lot area.

**CERTIFICATE HOLDER****CANCELLATION**

City of Richfield Richfield, MN	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Dan Rockwell/LMO <i>Stan Rodwell</i>

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**STAFF REPORT NO. 133**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Chris Link, Operations Superintendent

DEPARTMENT DIRECTOR REVIEW: Kristin Asher, Public Works Director  
9/6/2016

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of the approval of the resolution declaring costs to be assessed for removal of diseased trees from private property for work ordered in 2015 and scheduling a public hearing for October 11, 2016.**

**EXECUTIVE SUMMARY:**

In Section 910 of the City Code, it has been determined that the health of trees within municipal limits is threatened by shade tree diseases, and it is the City's responsibility to control and prevent the spread of these diseases.

If the City has deemed it necessary to remove a diseased tree, the property owners have three options available for private tree removal:

1. Remove the tree themselves.
2. Hire and pay for their own contractor.
3. Hire their own contractor and request the cost of the tree removal be assessed against their property tax.

In the period from January 1, 2015 through December 31, 2015, 23 property owners chose the third option. The total amount to be assessed is \$60,688.53.

**RECOMMENDED ACTION:**

**By Motion:**

1. **Adopt a resolution declaring costs to be assessed and ordering the preparation for the proposed assessment roll for the removal of diseased trees from private property for work ordered in 2015.**
2. **Set the public hearing date for October 11, 2016.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

- In the early 1970's, the City of Richfield began a shade tree disease program to assist homeowners in the removal of diseased trees on private property. The following process is how the City ensures property owners are aware of their diseased tree(s).

### **Notification to Property Owners**

At time of marking for removal, paperwork is left at the property which includes:

- Removal deadline
- Why the tree was marked for removal
- Assessment Information
- Information regarding private contractors
- Card informing City of owners removal plans
- City Staff contacts for more information

If the tree becomes hazardous or is past the removal time limit an additional deadline letter is sent to the property owner. The letter is sent to the last known owner, obtained from Hennepin County Property Records and verified with Richfield utility billing records.

### **Occupied Properties**

As stated above, property owners of diseased trees have three options available for private tree removal:

1. Remove the tree themselves.
2. Hire and pay their own contractor.
3. Hire their own contractor and request the cost of the tree removal be assessed against their property tax.

### **Vacant Properties**

In cases where the property is vacant and no owner can be found, removals must be ordered when trees have passed the removal time limit or become hazardous. A contractor then performs the removal and the cost is assessed to the property.

### **B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

- The work has been completed with prior approval from the affected residents; except in cases of vacant properties.
- Minnesota State Statute requires the County to be notified of all special assessments.
- A notice of the hearing on the proposed assessment will be mailed at least two weeks prior to the hearing and shall state in the notice the total cost of the diseased tree removal to the owner.

### **C. CRITICAL TIMING ISSUES:**

- The unpaid charges for the removal of the diseased trees must be special assessed for certification to the County Director of Property Taxation and Collection along with current taxes as stated in City Code 825.05 Subd. 3.
- Unpaid assessments must be reported to Hennepin County by November 30th of each year.

### **D. FINANCIAL IMPACT:**

- The costs to be assessed for the removal of diseased trees on private property for work ordered during the period January 1, 2015, through December 31, 2015, have been determined to be \$60,688.53.
- The property owner may pay the original principal amount without interest within 30 days from the date the Council adopts the assessment. The unpaid balance will be spread over five years with a five percent interest rate.
- The original source of funding to have the work done is through the City's Permanent Improvement Revolving Fund.

### **E. LEGAL CONSIDERATION:**

- The City Attorney will be in attendance at the Council meeting should a legal question arise.

### **ALTERNATIVE RECOMMENDATION(S):**

- Council may revise the special assessment roll as deemed necessary following the public hearing.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

None

**ATTACHMENTS:**

Description	Type
☐ Resolution	Resolution Letter
☐ Tree Assessment Letter	Backup Material



## RESOLUTION NO.

### RESOLUTION DECLARING COSTS TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENT FOR REMOVAL OF DISEASED TREES FROM PRIVATE PROPERTY FOR THE PERIOD OF JANUARY 1, 2015 TO DECEMBER 31, 2015.

**WHEREAS**, costs have been determined for the removal of diseased trees from private properties in the City of Richfield and the expenses incurred or to be incurred for such work ordered during the period of January 1, 2015 through December 31, 2015 amount to \$60,688.53.

Address	PID	Amount
2201 W 69th	28-028-24-33-0051	\$4,988.29
6237 Garfield	27-028-24-22-0066	\$800.00
6245 Aldrich Ave	28-028-24-11-0019	\$2,413.68
6308 2nd Ave	27-028-24-12-0067	\$1,340.94
6345 15th Ave	26-028-24-12-0109	\$2,789.15
6420 Knox	28-028-24-24-0064	\$1,716.40
6449 Girard Ave	28-028-24-13-0011	\$911.84
6500 Humboldt Ave	28-028-24-24-0130	\$2,520.96
6719 Russell Ave	29-028-24-41-0136	\$4,988.29
6740 Washburn Ave	29-028-24-42-0088	\$3,915.53
6808 Sheridan Ave	29-028-24-44-0067	\$2,640.49
6833 Irving Ave	28-028-24-34-0104	\$3,486.44
6844 10th Ave	26-028-24-34-0092	\$804.56
6901 Upton Ave	29-028-24-43-0189	\$1,340.94
6927 5th Ave	27-028-24-44-0091	\$1,340.94
6931 Logan Ave	28-028-24-34-0061	\$3,432.80
7008 14th Ave	35-028-24-12-0034	\$2,145.50
7033 12th Ave	35-028-24-12-0011	\$4,076.45
7214 13th Ave	35-028-24-13-0114	\$2,537.59
7419 Pillsbury Ave	34-028-24-31-0045	\$2,360.25
7439 13th Ave	35-028-24-42-0006	\$3,486.44
7501 11th Ave	35-028-24-31-0032	\$4,773.74
7600 Upton Ave	32-028-24-43-0004	\$3,218.25
<b>TOTAL</b>		<b>\$60,688.53</b>

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota:

1. The total cost to be assessed against benefited property owners is declared to be \$60,688.53.
2. The City Clerk shall forthwith calculate the proper amount to be specially assessed for such work against each benefited property, and shall file a copy of such proposed assessment in her office for public inspection.

3. The Clerk shall, upon the completion of such proposed assessment, notify the City Council thereof.
4. A hearing shall be held on the 11th day of October, 2016 in the Richfield Municipal Center - Council Chambers at 7:00 p.m., or as soon as hereafter it may be reached on the agenda, to pass upon such proposed assessment and at such time and place all persons owning property affected by said diseased tree removal assessment will be given an opportunity to be heard in reference to such assessment.
5. The City Clerk is hereby directed to cause a notice of the hearing on the proposed assessment at least two weeks prior to the hearing and shall state in the notice the total cost of the diseased tree removal. The City Clerk shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearing.

Adopted by the City Council of the City of Richfield this 13th day of September, 2016.

---

Debbie Goettel, Mayor

ATTEST:

---

Elizabeth VanHoose, City Clerk

## Public Works Department

September 15, 2016

«Name»  
«Address»  
«Address2»

### NOTICE OF ASSESSMENT HEARING

#### NOTICE OF HEARING ON PROPOSED ASSESSMENT FOR CERTAIN SERVICES OF THE CITY **FOR REMOVAL OF DISEASED TREES ON PRIVATE PROPERTY (JANUARY 1, 2015 - DECEMBER 31, 2015)**

PID: «PID»  
Property Address: «Address»

NOTICE IS HEREBY GIVEN that the Richfield City Council will hold an assessment hearing on the date and at the time and place given below, to pass upon the proposed assessment for the removal and disposal of diseased trees on private property.

DATE, TIME AND PLACE OF HEARING: Tuesday, October 11, 2016 at 7:00 p.m. or as soon thereafter as the matter can be reached on the agenda, at Richfield Municipal Center, 6700 Portland Avenue South, Richfield, Minnesota 55423.

NATURE OF IMPROVEMENT AND AREA TO BE ASSESSED: Costs incurred for removal of diseased trees from private property with the consent and approval of the property owners for work ordered from the City of Richfield, January 1, 2015 through December 31, 2015. The City proposes to assess the costs for this work, which totaled \$60,688.53.

#### **THE SPECIAL ASSESSMENT TO YOUR PROPERTY IS: «Amount».**

Payment can be made after the assessment is adopted and before November 10, 2016 at the City of Richfield Assessor's office, 6700 Portland Avenue, Richfield, MN 55423. Please make you check payable to the City of Richfield.

#### **THIS IS THE ONLY NOTICE YOU WILL RECEIVE OF THIS ASSESSMENT. NO SEPARATE BILLING WILL OCCUR.**

A copy of the proposed assessment roll is on file for public inspection at the City Clerk's office, 6700 Portland Avenue South, Richfield, Minnesota.

PAYMENT OF ASSESSMENT: You may pay your assessment at any time after the assessment has been adopted by presenting a check to the City Treasurer at the Assessor's office, 6700 Portland Avenue South, Richfield, Minnesota 55423. Unpaid assessments accrue interest at the rate of five percent (5%) per year. The amount of interest payable depends upon when your payment is made, and the following deadlines apply:

Payment within 30 days of adopted assessment: The property owner may pay the original principal amount without interest within 30 days from the date the Council adopts the assessment, scheduled for October 11, 2016. If the original principal amount is not paid, the assessment will be charged five percent (5%) interest.

Payment on or after November 10, 2016: Payments received on or after November 10, 2016 will be charged interest at the rate of 5% through the date of payment. Payments are not accepted between November 15, 2016 and January 1, 2017. After January 1, 2017 payments can be made on the outstanding balance not certified to the current year taxes anytime with interest through December 31 of the year in which payment is made. If no prepayment is made, the tree assessments are spread over five years. Interest is calculated for 14 months on the first year of the assessment and 12 months thereafter. There is a \$2.50 surcharge per year over the five year life of the assessment when certified to the property tax. Questions regarding the assessment payment procedure should be directed to Debbie Guiher at 612-861-9710.

DEFERRED ASSESSMENTS: Under Minnesota Stat. Secs. 435.193 to 435.195, the Council may, in its discretion, defer the payment of this special assessment for any homestead property owned by a person who meets certain age, disability restrictions, or active military service requirement and for whom it would be a hardship to make the payments. The policy and procedure for deferment is set forth in City Resolution No. 11216, which may be obtained from the City Clerk. When deferment of the special assessment has been granted and is terminated for any reason provided in law, all amounts accumulated plus applicable interest become due. Any assessed property owner meeting the requirements of the law and the resolution may, within 30 days of the confirmation of the assessment, apply to the City Clerk for the prescribed form for deferral of this special assessment.

HEARING PROCEDURE AND OBJECTIONS: The City Council will conduct a public hearing on the proposed assessment on the date and time listed. Written and oral objections will be considered at the meeting, but the Council may consider any objection to the amount of a proposed individual assessment at an adjourned meeting upon further notice to the affected property owners as the Council deems advisable. The Council may adopt the proposed assessment at the same meeting as the hearing.

RIGHT TO APPEAL: You have the right to appeal the City Council's adoption of the assessment. To appeal, you must serve notice of an appeal upon the Mayor or City Clerk within 30 days after the adoption of the assessment, and you must also file the notice of appeal with the Hennepin County District Court within 10 days after service upon the Mayor or City Clerk. You may not appeal unless you file a written objection, signed by you, with the City Clerk prior to the hearing on October 11, 2016 or present the written objection to the presiding officer at the hearing on October 11, 2016.

**BY ORDER OF THE CITY COUNCIL THIS 13TH DAY OF SEPTEMBER, 2016.**



Elizabeth VanHoose, City Clerk

Questions concerning this assessment amount should be directed to Chris Link, Operations Superintendent at 612-861-9174.



**STAFF REPORT NO. 134**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Chris Link, Operations Superintendent

DEPARTMENT DIRECTOR REVIEW: Kristin Asher, Public Works Director  
9/6/2016

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of the approval of the resolutions pertaining to the annual Lyndale/HUB/Nicollet (LHN) maintenance assessment process and scheduling a public hearing for October 11, 2016.**

**EXECUTIVE SUMMARY:**

The Lyndale/HUB/Nicollet (LHN) maintenance assessment was established to recover special maintenance expenses in the LHN area in 1981. The special services include:

- Maintenance and operation of irrigation systems
- Mowing
- Fertilization
- Weed control
- Trash and litter removal
- Maintenance of street lighting system

The LHN Redevelopment Area is approximately bounded by 64th Street, First Avenue, 67th Street and Emerson Avenue.

Staff is recommending the City Council:

- Approve resolution declaring the 2015 assessment costs and ordering the preparation of the proposed assessment for 2015.
- Schedule public hearing for October 11, 2016 for proposed assessments.
- Approve resolution proposing a similar assessment process for 2017.
- Schedule public hearing for October 11, 2016 for similar assessment process.

**RECOMMENDED ACTION:**

**By Motion:**

1. Adopt the resolution declaring costs to be assessed and ordering preparation of the proposed assessment roll for 2015 Lyndale/HUB/Nicollet (LHN) Maintenance and schedule a public hearing for October 11, 2016.
2. Adopt the resolution proposing a similar assessment process to be implemented for 2017 and schedule a public hearing for October 11, 2016.

## **BASIS OF RECOMMENDATION:**

### **A. HISTORICAL CONTEXT**

- City staff has determined actual costs of current services to be assessed for the 2015 maintenance of this area to be \$27,321.07, and the estimated cost for 2017 maintenance to be \$50,000.
- Fluctuations in expenditures for maintenance of LHN are caused by a number of factors:
  - Weather determines water usage and irrigation costs
  - Concrete repair vary from year to year
  - Repairs are never foreseeable
  - Update aging infrastructure

### **B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

- Section 825 of the City Code indicates “current services” mean one or more of the following:
  - (a) snow, ice, or rubbish removal from sidewalks;
  - (b) weed elimination from streets or private property;
  - (c) removal or elimination of public health or safety hazards from private property, excluding any structure included under the provisions of Minnesota Statutes, sections 463.15 to 463.26;
  - (d) installation or repair of water service lines;
  - (e) street sprinkling, sweeping, or other dust treatment of streets;
  - (f) the trimming and care of trees and the removal of unsound trees from any street;
  - (g) the treatment and removal of insect-infested or diseased trees on private property;
  - (h) the repair of sidewalks and alleys;
  - (i) the operation of a street lighting system;
  - (j) the maintenance of landscaped areas, decorative parks and other public amenities on or adjacent to street right-of-way; and,
  - (k) snow removal and other maintenance of streets in commercial redevelopment areas.
- Council ordered the work and the work was done for 2015.
- Council needs to order the work for 2017.

### **C. CRITICAL TIMING ISSUES:**

- Each year, the City shall list the total unpaid charges for current services against each separate lot or parcel to which they are attributable under section 825 of the City Code.
- This list is available at the offices of the City Clerk, Assessing, and Public Works.

### **D. FINANCIAL IMPACT:**

- All costs to the City will be recovered through this assessment.
- Estimated and actual costs for the LHN maintenance services from 2003-2015 are:

<u>Year</u>	<u>Estimated</u>	<u>Actual</u>
2003	\$50,000	\$37,785.67
2004	\$50,000	\$44,031.39
2005	\$50,000	\$45,385.31
2006	\$50,000	\$45,648.56
2007	\$50,000	\$51,605.29
2008	\$50,000	\$49,999.99
2009	\$50,000	\$49,747.02
2010	\$50,000	\$32,459.40
2011	\$50,000	\$39,090.87
2012	\$50,000	\$32,244.51
2013	\$50,000	\$25,522.16
2014	\$50,000	\$29,415.52
2015	\$50,000	\$27,321.07

**E. LEGAL CONSIDERATION:**

- No legal issues are apparent at this time. The City Attorney will be in attendance at the Council meeting should a legal question arise.
- Section 825, Subd. 2 states that “the City Clerk, under the Council’s direction, shall publish notice that the Council will meet to consider the undertaking of current services and levying of special assessments to pay costs thereof.”
- The notice is scheduled to be published on September 22, 2016.

**ALTERNATIVE RECOMMENDATION(S):**

Council may make any changes to the assessment roll as deemed necessary after the public hearing.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

None

**ATTACHMENTS:**

Description	Type
☐ Resolution (2015)	Resolution Letter
☐ Resolution (2017)	Resolution Letter
☐ LHN Assessment Letter	Backup Material
☐ Map of LHN Assesment District	Backup Material

**RESOLUTION NO.**

**RESOLUTION DECLARING COST TO BE ASSESSED  
AND ORDERING PREPARATION OF PROPOSED ASSESSMENT  
FOR LYNDAL/Hub/NICOLLET (LHN) MAINTENANCE  
FOR THE PERIOD JANUARY 1, 2015 THROUGH DECEMBER 31, 2015**

**WHEREAS**, costs have been determined for the maintenance of the Lyndale/Hub/Nicollet (LHN) Redevelopment Area which is approximately bounded by 64th Street, First Avenue, 67th Street and Emerson Avenue in the City of Richfield and the expenses incurred or to be incurred for such maintenance amount to \$27,321.07 for the period of January 1, 2015 through December 31, 2015.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota:

1. The portion of the cost to be assessed against benefited property owners is declared to be \$27,321.07.
2. The City Clerk shall forthwith calculate the proper amount to be specially assessed for such maintenance against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation, as provided by law, and shall file a copy of such proposed assessment in his office for public inspection.
3. The City Clerk shall, upon the completion of such proposed assessment, notify the City Council thereof.
4. A hearing shall be held on the 11th day of October, 2016, in the Council Chambers of the City Hall at 7:00 p.m. or as soon thereafter as the matter can be reached on the agenda to pass upon such proposed assessment and at such time and place all persons owning property affected by said maintenance assessment will be given an opportunity to be heard in reference to such assessment.
5. The City Clerk is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official newspaper at least two weeks prior to the hearing, and he shall state in the notice the total cost of the maintenance. The City Clerk shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearing

Adopted by the City Council of the City of Richfield, Minnesota this 13th day of September, 2016.

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Debbie Goettel, Mayor

ATTEST:



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Elizabeth VanHoose, City Clerk

## **RESOLUTION NO.**

### **RESOLUTION PROPOSING TO SPECIALLY ASSESS FOR THE COSTS OF CURRENT SERVICES PROVIDED WITHIN THE LYNDALE/HUB/NICOLLET (LHN) PROJECT AREA FOR THE PERIOD JANUARY 1, 2017 THROUGH DECEMBER 31, 2017**

**BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota as follows:

1. There is hereby established a special assessment district, the boundaries of which are conterminous with the Lyndale/Hub/Nicollet (LHN) Redevelopment Project Area, for the purposes of assessing for current services provided by the City.
2. The following current services of the City are hereby proposed to be undertaken by the City in the district, with the costs of such services to be specially assessed against benefited property within the district:
  - Snow, ice or rubbish removal;
  - Weed elimination;
  - Elimination or removal of public health or safety hazards from private property, excluding any structure included under the provisions of Minnesota Statutes Section 463.15 to 463.26;
  - Installation or repair of water service lines;
  - Street sprinkling or other dust treatment of streets;
  - Trimming and care of trees and the removal of unsound trees;
  - Repair of sidewalks, crosswalks, and other pedestrian walkways;
  - Operation of the street lighting system;
  - Maintenance of landscaped areas and other public amenities on or adjacent to street right-of-way;
  - Maintenance of Civic Plaza;
  - Snow removal and other maintenance of streets;
  - Painting and repair of wood furniture;
  - General maintenance, including repairs and replacement.
3. The area proposed to be specially assessed for such current services consists of every assessable lot and parcel of land within the district. It is proposed that special assessments on commercial property be made on the basis of the area with each square foot of assessable commercial property within the district being assessed an equal amount for maintenance of common area. Exempt from the special assessment levy shall be all single family, two-family, multiple family residential property within the LHN redevelopment district. Special maintenance of individual commercial properties shall be assessed directly for costs incurred in performing said maintenance to said property.
4. The City Clerk is authorized and directed to give public notice of a hearing by this Council at which the Council will consider the undertaking of such current services

and the levying of special assessments to bear the costs thereof. The City Clerk shall also give mailed and published notice of such hearing as required by law. Such hearing shall be held on Tuesday, October 11, 2016, commencing at 7:00 p.m. or as soon thereafter as the matter can be reached on the agenda.

5. It is hereby proposed that the project consist of the costs of the aforementioned services for the period of January 1, 2017 through December 31, 2017. The estimated cost of providing all the aforementioned current services during that period is \$50,000.

Adopted by the City Council of the City of Richfield, Minnesota this 13th of September, 2016.

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Debbie Goettel, Mayor

ATTEST:

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Elizabeth VanHoose, City Clerk

## Public Works Department

September 15, 2016

«TAX\_NAME»  
«TAX\_ADD\_L1»  
«TAX\_ADD\_L2»  
«TAX\_ADD\_L3»

### NOTICE OF ASSESSMENT HEARING

NOTICE OF HEARING ON PROPOSED ASSESSMENT  
FOR CERTAIN SERVICES OF THE CITY WITHIN THE  
**LYNDALE/HUB/NICOLLET REDEVELOPMENT AREA**  
**FROM JANUARY 1, 2015 - DECEMBER 31, 2015**

Property ID: «PID»

Property Address: «BLDG\_NUM» «STREETNAME»

NOTICE IS HEREBY GIVEN that the Richfield City Council will hold an assessment hearing on the date and at the time and place given below, to pass upon the proposed assessment for the maintenance services to that area known as the Lyndale/Hub/Nicollet (LHN) Redevelopment Area in the City.

DATE, TIME AND PLACE OF HEARING: Tuesday, October 11, 2016 at 7:00 p.m. or as soon thereafter as the matter can be reached on the agenda, at Richfield Municipal Center, 6700 Portland Avenue South, Richfield, Minnesota 55423.

NATURE OF IMPROVEMENT AND AREA TO BE ASSESSED: From January 1, 2015 through December 31, 2015 the City of Richfield incurred costs for maintenance of the LHN Redevelopment Area, including such work as landscape maintenance of common properties, including mowing, fertilizing, irrigation repair and other maintenance services. The City proposes to assess the costs for maintenance in the LHN Redevelopment Area, which totaled \$27,321.07 against the properties that benefited from this work.

#### **THE SPECIAL ASSESSMENT TO YOUR PROPERTY IS: «Assessment».**

Payment can be made after the assessment is adopted and before November 10, 2016 at the City of Richfield Assessor's office, 6700 Portland Avenue South, Richfield, MN 55423. Please make your check payable to the City of Richfield.

#### **THIS IS THE ONLY NOTICE YOU WILL RECEIVE OF THIS ASSESSMENT. NO SEPARATE BILLING WILL OCCUR.**

A copy of the proposed assessment roll is on file for public inspection at the City Clerk's office, 6700 Portland Avenue South, Richfield, Minnesota 55423.

PAYMENT OF ASSESSMENT: You may pay your assessment at any time after the assessment has been adopted by presenting a check to the City Treasurer at the Assessor's Office, 6700 Portland Avenue South, Richfield, Minnesota 55423. Unpaid assessments accrue interest at the rate of five percent (5%) per year. The amount of interest payable depends upon when your payment is made, and the following deadlines apply:

Payment within 30 days of adopted assessment: The property owner may pay the original principal amount without interest within 30 days from the date the Council adopts the assessment, scheduled for October 11, 2016. If the original principal amount is not paid, the assessment will be charged five percent (5%) interest.

Payment on or after November 10, 2016: Payments received on or after November 10, 2016 will be charged interest at the rate of 5% through the date of payment. Payments are not accepted between November 15, 2016 and January 1, 2017. If no prepayment is made the assessments are spread over one year. Questions regarding the assessment payment procedure should be directed to Debbie Guiher at 612-861-9710.

**DEFERRED ASSESSMENTS:** Under Minnesota Stat. Secs. 435.193 to 435.195, the Council may, in its discretion, defer the payment of this special assessment for any homestead property owned by a person who meets certain age, disability restrictions, or active military service requirement and for whom it would be a hardship to make the payments. The policy and procedure for deferment is set forth in City Resolution No. 11216, which may be obtained from the City Clerk. When deferment of the special assessment has been granted and is terminated for any reason provided in law, all amounts accumulated plus applicable interest become due. Any assessed property owner meeting the requirements of the law and the resolution may, within 30 days of the confirmation of the assessment, apply to the City Clerk for the prescribed form for deferral of this special assessment.

**HEARING PROCEDURE AND OBJECTIONS:** The City Council will conduct a public hearing on the proposed assessment on the date and time listed. Written and oral objections will be considered at the meeting, but the Council may consider any objection to the amount of a proposed individual assessment at an adjourned meeting upon further notice to the affected property owners, as the Council deems advisable. The Council may adopt the proposed assessment at the same meeting as the hearing.

**RIGHT TO APPEAL:** You have the right to appeal the City Council's adoption of the assessment. To appeal, you must serve notice of an appeal upon the Mayor or City Clerk within 30 days after the adoption of the assessment, and you must also file the notice of appeal with the Hennepin County District Court within 10 days after service upon the Mayor or City Clerk. You may not appeal unless you file a written objection, signed by you, with the City Clerk prior to the hearing on October 11, 2016, or present the written objection to the presiding officer at the hearing on October 11, 2016.

**BY ORDER OF THE CITY COUNCIL THIS 13TH DAY OF SEPTEMBER, 2016.**

  
Elizabeth VanHoose, City Clerk

Questions regarding this assessment amount should be directed to Chris Link at 612-861-9174.





**STAFF REPORT NO. 135**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Chris Link, Operations Superintendent

DEPARTMENT DIRECTOR REVIEW: Kristin Asher, Public Works Director  
9/6/2016

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of the approval of the resolutions pertaining to the annual 77th Street maintenance district assessment process and scheduling a public hearing for October 11, 2016.**

**EXECUTIVE SUMMARY:**

Since the 1988, the City has been performing special maintenance along the 77th Street redevelopment area between I-35W and Cedar Avenue. The special maintenance services include:

- Maintenance and operation of irrigation systems
- Mowing
- Fertilization
- Weed control
- Trash and litter removal

These services are provided on both sides of the 77th Street wall. The maintenance functions, known as current services, are funded through a maintenance assessment on the 77th Street businesses.

Staff is recommending the City Council:

- Approve resolution declaring the 2015 assessment costs and order the preparation of the proposed assessment for 2015.
- Schedule public hearing for October 11, 2016 for proposed assessments.
- Approve resolution proposing a similar assessment process for 2017.
- Schedule public hearing for October 11, 2016 for similar assessment process.

**RECOMMENDED ACTION:**

**By Motion:**

1. Adopt the resolution proposing to assess commercial properties in the 77th Street assessment district for costs incurred to maintain the area for 2015 and schedule a public hearing for October 11, 2016.
2. Adopt the resolution proposing a similar assessment process to be implemented for 2017 and schedule a public hearing for October 11, 2016.

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

- City staff has determined actual costs of current services to be assessed for the 2015 maintenance of this area to be \$59,557.56, and estimate the cost for 2017 maintenance to be \$80,000.
- Fluctuations in expenditures for maintenance of the 77th Street assessment district are caused by a number of factors:
  - Weather determines water usage and irrigation costs
  - Concrete repair varies from year to year
  - Updating aging infrastructure
  - Replantings

**B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

- Section 825 of the City Code indicates “current services” mean one or more of the following:
  - (a) snow, ice, or rubbish removal from sidewalks;
  - (b) weed elimination from streets or private property;
  - (c) removal or elimination of public health or safety hazards from private property, excluding any structure included under the provisions of Minnesota Statutes, sections 463.15 to 463.26;
  - (d) installation or repair of water service lines;
  - (e) street sprinkling, sweeping, or other dust treatment of streets;
  - (f) the trimming and care of trees and the removal of unsound trees from any street;
  - (g) the treatment and removal of insect-infested or diseased trees on private property;
  - (h) the repair of sidewalks and alleys;
  - (i) the operation of a street lighting system;
  - (j) the maintenance of landscaped areas, decorative parks and other public amenities on or adjacent to street right-of-way; and,
  - (k) snow removal and other maintenance of streets in commercial redevelopment areas.
- Council ordered the work and the work was done in 2015.
- Resolution No. 7405, adopted in 1988, established a policy for assessing the costs.
- Commercial property owners will be assessed on a per-square-foot basis.
- Single family and multi-family residential properties, plus the two churches in the area, would be exempt from the special assessment levy.

**C. CRITICAL TIMING ISSUES:**

- Each year, the City shall list the total unpaid charges for current services against each separate lot or parcel to which they are attributable under section 825 of the City Code.
- This list is available at the offices of the City Clerk, Assessing, and Public Works.

**D. FINANCIAL IMPACT:**

- All costs to the City will be recovered through this assessment.
- Estimated and actual costs for the 77th Street maintenance services from 2003 - 2015 are:

<u>Year</u>	<u>Estimate</u>	<u>Actual</u>
2003	\$80,000	\$59,831.07
2004	\$80,000	\$63,842.79
2005	\$80,000	\$64,841.54
2006	\$80,000	\$69,606.52
2007	\$80,000	\$77,441.46
2008	\$80,000	\$77,000.01
2009	\$80,000	\$62,894.55
2010	\$80,000	\$64,124.81
2011	\$80,000	\$72,427.48
2012	\$80,000	\$78,286.46
2013	\$80,000	\$59,779.82
2014	\$80,000	\$71,499.01



2015    \$80,000    \$59,557.56

**E. LEGAL CONSIDERATION:**

- No legal issues are apparent at this time. The City Attorney will be in attendance at the Council meeting should a legal question arise.
- Section 825, Subd. 2 states that “the City Clerk, under the Council’s direction, shall publish notice that the Council will meet to consider the undertaking of current services and levying of special assessments to pay costs thereof.”
- The notification is scheduled to be published on September 22, 2016.

**ALTERNATIVE RECOMMENDATION(S):**

Council may make any changes to the assessment roll as deemed necessary after the public hearing.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

None

**ATTACHMENTS:**

Description	Type
☐ Resolution (2015)	Resolution Letter
☐ Resolution (2017)	Resolution Letter
☐ ILN/77th Street Assessment Letter	Backup Material
☐ Map of ILN/77th St Assessment District	Backup Material

**RESOLUTION NO.**

**RESOLUTION DECLARING COST TO BE ASSESSED  
AND ORDERING PREPARATION OF PROPOSED ASSESSMENT  
FOR 77TH STREET MAINTENANCE  
FOR THE PERIOD JANUARY 1, 2015 THROUGH DECEMBER 31, 2015**

**WHEREAS**, costs have been determined for the maintenance of the 77th Street Redevelopment Area the boundaries of which are approximately east of I-35W and west of Cedar Avenue in the City of Richfield and the expenses incurred or to be incurred for such maintenance amount to \$59,557.56 for the period of January 1, 2015 through December 31, 2015.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota:

1. The portion of the cost to be assessed against benefited property owners is declared to be \$59,557.56.
2. The City Clerk shall forthwith calculate the proper amount to be specially assessed for such maintenance against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation, as provided by law, and shall file a copy of such proposed assessment in his office for public inspection.
3. The City Clerk shall, upon the completion of such proposed assessment, notify the City Council thereof.
4. A hearing shall be held on the 11th day of October, 2016, in the Council Chambers of the City Hall at 7:00 p.m. or as soon thereafter as the matter can be reached on the agenda to pass upon such proposed assessment and at such time and place all persons owning property affected by said maintenance assessment will be given an opportunity to be heard in reference to such assessment.
5. The City Clerk is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official newspaper at least two weeks prior to the hearing, and shall state in the notice the total cost of the maintenance. The City Clerk shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearing.

Adopted by the City Council of the City of Richfield, Minnesota this 13th day of September, 2016.

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Debbie Goettel, Mayor

ATTEST:

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Elizabeth VanHoose, City Clerk

## RESOLUTION NO.

### RESOLUTION PROPOSING TO SPECIALLY ASSESS FOR THE COSTS OF CURRENT SERVICES PROVIDED WITHIN THE 77TH STREET PROJECT AREA FOR THE PERIOD JANUARY 1, 2017 THROUGH DECEMBER 31, 2017

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota as follows:

1. There is hereby established a special assessment district, the boundaries of which are east of I-35W and west of Cedar Avenue, for the purposes of assessing for current services provided by the City.
2. The following current services of the City are hereby proposed to be undertaken by the City in the District with the cost of such services to be specially assessed against benefited property within the District;
  - The trimming and care of trees and shrubs and the removal of any unsound trees from any street;
  - The repair of sidewalks;
  - The maintenance of landscaped areas and other public amenities on or adjacent to street rights-of-way;
  - Trash and litter removal.
3. The area proposed to be specially assessed for such current services consists of each and every commercial lot and parcel of land within the District. It is proposed that the special assessments on the commercial property be made on the basis of area.
4. The City Clerk is hereby authorized and directed to publish notice of a hearing by this Council at which the Council will consider the undertaking of such current services and the levying of special assessments to bear the costs thereof. Such notice shall be published in the official newspaper at least once, at least two weeks prior to the date of hearing. The City Clerk shall also give mailed notice of such hearing as required by law. Such hearing shall be held Tuesday, October 11, 2016, commencing at 7:00 p.m. or as soon thereafter as the matter can be reached on the agenda.
5. It is hereby proposed that the project consist of the aforementioned services for the period from January 1, 2017 through December 31, 2017. The estimated cost of providing all of the aforementioned services during that period is \$80,000.

Passed by the City Council of the City of Richfield, Minnesota this 13th day of September, 2016.

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Debbie Goettel, Mayor

ATTEST:

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Elizabeth VanHoose, City Clerk

## Public Works Department

September 15, 2016

«TAX\_NAME»  
«TAX\_ADD\_L1»  
«TAX\_ADD\_L2»  
«TAX\_ADD\_L3»

### NOTICE OF ASSESSMENT HEARING

NOTICE OF HEARING ON PROPOSED ASSESSMENT  
FOR CERTAIN SERVICES OF THE CITY WITHIN THE  
**77TH STREET PROJECT AREA**  
**FROM JANUARY 1, 2015 - DECEMBER 31, 2015**

Property ID: «PID»

Property Address: «BLDG\_NUM» «STREETNAME»

NOTICE IS HEREBY GIVEN that the Richfield City Council will hold an assessment hearing on the date and at the time and place given below, to pass upon the proposed assessment for the maintenance services of the 77th Street Project Area in the City.

DATE, TIME AND PLACE OF HEARING: Tuesday, October 11, 2016 at 7:00 p.m. or as soon thereafter as the matter can be reached on the agenda, at Richfield Municipal Center, 6700 Portland Avenue South, Richfield, Minnesota 55423.

NATURE OF IMPROVEMENT AND AREA TO BE ASSESSED: From January 1, 2015 through December 31, 2015 the City of Richfield incurred costs for maintenance of the 77th Street Project area, including such work as landscape maintenance of common properties, including mowing, fertilizing, irrigation repair and other maintenance services. The City proposes to assess the costs for maintenance in the 77th Street Project area, which totaled \$59,557.56, against the properties that benefited from this work.

**THE SPECIAL ASSESSMENT TO YOUR PROPERTY IS: «Assessment».**

Payment can be made after the assessment is adopted and before November 10, 2016 at the City of Richfield Assessor's office, 6700 Portland Avenue South, Richfield, MN 55423. Please make your check payable to the City of Richfield.

**THIS IS THE ONLY NOTICE YOU WILL RECEIVE OF THIS ASSESSMENT. NO SEPARATE BILLING WILL OCCUR.**

A copy of the proposed assessment roll is on file for public inspection at the City Clerk's office, 6700 Portland Avenue South, Richfield, Minnesota 55423.

PAYMENT OF ASSESSMENT: You may pay your assessment at any time after the assessment has been adopted by presenting a check to the City Treasurer at the Assessor's Office, 6700 Portland Avenue South, Richfield, Minnesota 55423. Unpaid assessments accrue interest at the rate of five percent (5%) per year. The amount of interest payable depends upon when your payment is made, and the following deadlines apply:

«TAX\_NAME»

September 15, 2016

Page 2

Payment within 30 days of adopted assessment: The property owner may pay the original principal amount without interest within 30 days from the date the Council adopts the assessment, scheduled for October 11, 2016. If the original principal amount is not paid, the assessment will be charged five percent (5%) interest.

Payment on or after November 10, 2016: Payments received on or after November 10, 2016 will be charged interest at the rate of 5% through the date of payment. Payments are not accepted between November 15, 2016 and January 1, 2017. If no prepayment is made the assessments are spread over one year. Questions regarding the assessment payment procedure should be directed to Debbie Guiher at 612-861-9710.

**DEFERRED ASSESSMENTS:** Under Minnesota Stat. Secs. 435.193 to 435.195, the Council may, in its discretion, defer the payment of this special assessment for any homestead property owned by a person who meets certain age, disability restrictions, or active military service requirement and for whom it would be a hardship to make the payments. The policy and procedure for deferment is set forth in City Resolution No. 11216, which may be obtained from the City Clerk. When deferment of the special assessment has been granted and is terminated for any reason provided in law, all amounts accumulated plus applicable interest become due. Any assessed property owner meeting the requirements of the law and the resolution may, within 30 days of the confirmation of the assessment, apply to the City Clerk for the prescribed form for deferral of this special assessment.

**HEARING PROCEDURE AND OBJECTIONS:** The City Council will continue a public hearing on the proposed assessment on the date and time listed. Written and oral objections will be considered at the meeting, but the Council may consider any objection to the amount of a proposed individual assessment at an adjourned meeting upon further notice to the affected property owners, as the Council deems advisable. The Council may adopt the proposed assessment at the same meeting as the hearing.

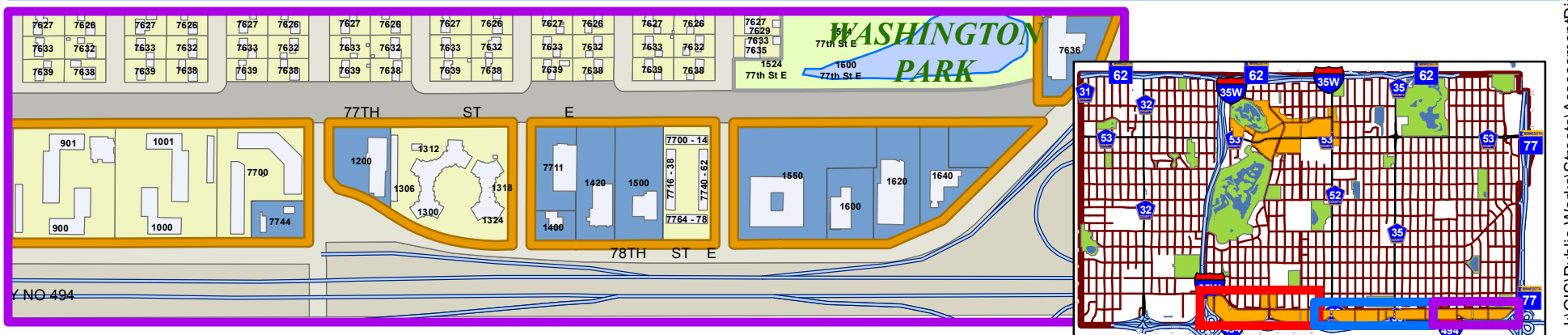
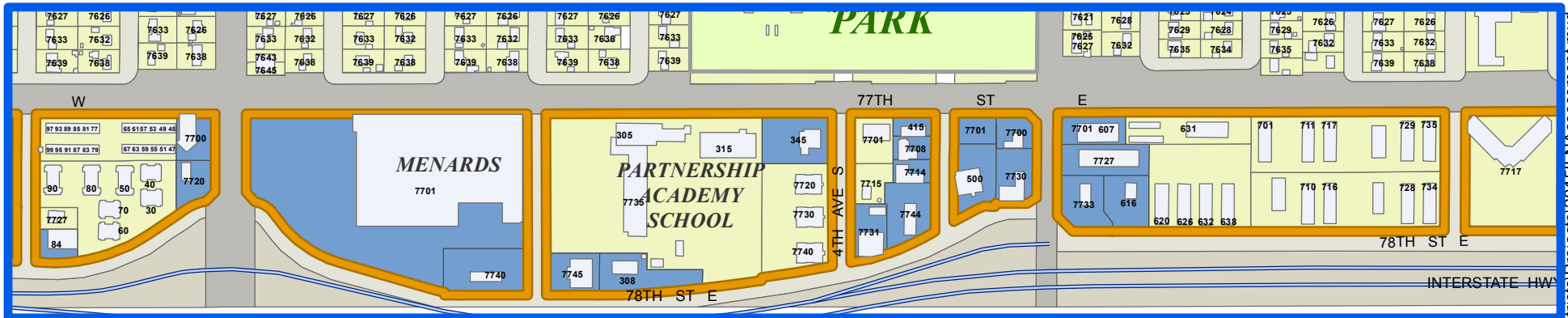
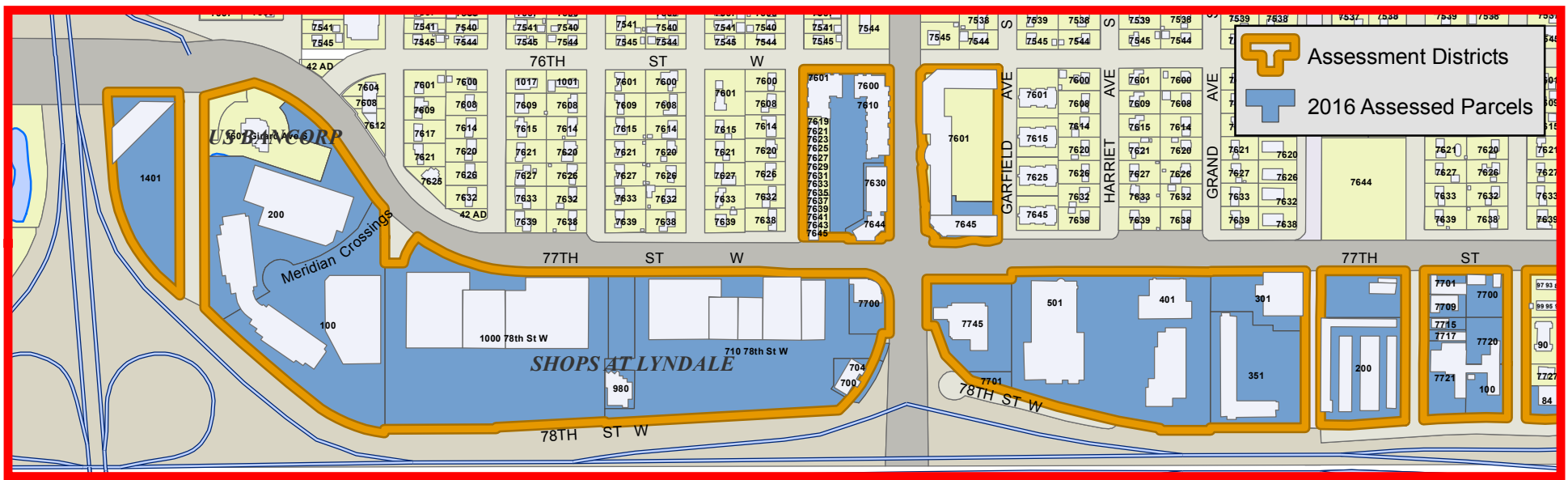
**RIGHT TO APPEAL:** You have the right to appeal the City Council's adoption of the assessment. To appeal, you must serve notice of an appeal upon the Mayor or City Clerk within 30 days after the adoption of the assessment, and you must also file the notice of appeal with the Hennepin County District Court within 10 days after service upon the Mayor or City Clerk. You may not appeal unless you file a written objection, signed by you, with the City Clerk prior to the hearing on October 11, 2016, or present the written objection to the presiding officer at the hearing on October 11, 2016.

**BY ORDER OF THE CITY COUNCIL THIS 11TH DAY OF SEPTEMBER, 2016.**

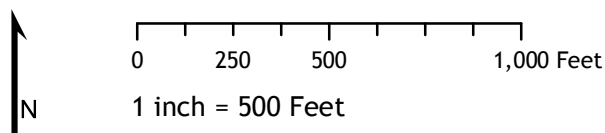


Elizabeth VanHoose, City Clerk

Questions concerning this assessment amount should be directed to Chris Link, Operations Superintendent at 612-861-9174.



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Interstate-Lyndale-Nicollet (ILN)  
Assessment District  
Richfield, Minnesota





**STAFF REPORT NO. 136**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Betsy Osborn, Support Services Manager

DEPARTMENT DIRECTOR REVIEW: Jay Henthorne, Public Safety Director  
9/2/2016

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of the approval of a Temporary On Sale Intoxicating Liquor license for the Richfield Foundation's Wine and Cheese event to take place on Thursday, October 6, 2016, in the atrium area of Houlihan's Restaurant and Bar, located at 6601 Lyndale Ave South.**

**EXECUTIVE SUMMARY:**

On September 1, 2016, the City received application materials for a Temporary On Sale Intoxicating Liquor license for the Richfield Foundation's Wine and Cheese event to take place on Thursday, October 6, 2016. The event will take place in the atrium area of Houlihan's Restaurant and Bar, located at 6601 Lyndale Avenue South.

The event will take place from 6:30 p.m. to 9:00 p.m. The request is to serve wine, craft beer and spirits. They will have approximately 20 different wine, craft beer vendors, a spirits vendor and a cheese vendor providing samples. They will also offer appetizers, dessert, water and coffee served by Houlihan's.

All required information, documents and licensing fees have been provided.

The Director of Public Safety has reviewed all required information and documents and has found no basis for denial.

The City Council has previously granted this license in conjunction with this event.

**RECOMMENDED ACTION:**

**By Motion: Approve the issuance of a Temporary On Sale Intoxicating Liquor license for Richfield Foundation's Wine and Cheese event, to take place on Thursday, October 6, 2016, in the atrium area of Houlihan's Restaurant and Bar, located at 6601 Lyndale Avenue South.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

The applicant has satisfied the following requirements for the issuance of this license:

- The required licensing fees have been received.
- Proof of liquor liability insurance has been provided showing United States Liability



Insurance Company affording the coverage.

- The Richfield Foundation has contacted food sanitarians from the City of Bloomington to ensure food handling practices are followed.

**B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

Richfield City Code Section 1202.05 requires all applicants to comply with all of the provisions of this code, as well as the provisions of Minnesota Statute Chapter 340A.

**C. CRITICAL TIMING ISSUES:**

There are no critical timing issues.

**D. FINANCIAL IMPACT:**

The required licensing fees have been received.

**E. LEGAL CONSIDERATION:**

There are no legal considerations.

**ALTERNATIVE RECOMMENDATION(S):**

The Council could decide to deny the approval of the Temporary On Sale Intoxicating Liquor license for the Richfield Foundation. This would mean the applicant would not be able to serve alcohol at their Wine and Cheese event. However, Public Safety has not found any basis for denial.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

A representative of the Richfield Foundation will be present.



**STAFF REPORT NO. 137**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Chris Link, Operations Superintendent

DEPARTMENT DIRECTOR REVIEW: Kristin Asher, Public Works Director  
9/6/2016

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

Consideration of the approval of the purchase of a front-end loader from Ziegler Inc. for \$242,205.00, less \$26,000.00 trade-in allowance, totaling \$216,205.00 plus taxes and licensing, for use by the Public Works Department.

**EXECUTIVE SUMMARY:**

The Public Works Department utilizes three loaders to provide various services to the public. One of the main services is to plow and remove snow. The front-end loader being replaced was originally scheduled for replacement in 2014 and cannot provide these services due to repairs needed to the transmission, engine, and hydraulic system.

**RECOMMENDED ACTION:**

**By Motion: Approve the purchase of a front-end loader from Ziegler Inc. for \$242,205.00, less \$26,000.00 trade-in allowance, totaling \$216,205.00 plus taxes and licensing, for use by the Public Works Department.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

- Replacement schedules are set for each vehicle and piece of equipment purchased. The following are taken into consideration when deciding on when to replace vehicles/equipment:
  - Year of Purchase (1999)
  - Replacement date/depreciation (2014)
  - History of Repairs
  - Technology Upgrades

**B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

- The City of Richfield participates in the Minnesota State Cooperative Purchasing Program. This program will be used for this purchase.

**C. CRITICAL TIMING ISSUES:**

- The purchase price of \$242,205 includes a 3% savings (approximately \$7,265), if ordered prior to September 30, 2016.

- Approval at this meeting will ensure delivery of the vehicle in the year it is budgeted for purchase (2017).

**D. FINANCIAL IMPACT:**

- The 2016 Revised/2017 Proposed Budget includes \$220,000 for this purchase.

**E. LEGAL CONSIDERATION:**

- When the purchase of materials, merchandise, equipment, or construction exceeds \$100,000 authority to purchase shall be submitted to the City Council for consideration.

**ALTERNATIVE RECOMMENDATION(S):**

- None

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

None



**STAFF REPORT NO. 138**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Elizabeth Finnegan, Civil Engineer

DEPARTMENT DIRECTOR REVIEW: Kristin Asher, Public Works Director  
9/6/2016

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of the approval of the hiring of Kimley-Horn & Associates to perform utility observations services for the 66th Street Reconstruction Project for a fee not to exceed \$671,815.**

**EXECUTIVE SUMMARY:**

County and City staff are working cooperatively toward the reconstruction of 66th Street from Xerxes Avenue to 16th Avenue. The City's sanitary sewer and water main will be replaced as part of the project. Kimley-Horn & Associates has submitted a proposal to provide utility observation services for the project for a fee not to exceed \$671,815. These services will provide for a field representative to be present during the utility replacement work to verify construction conformance with plans and specifications.

**RECOMMENDED ACTION:**

**By Motion: Approve the hiring of Kimley-Horn & Associates to perform utility observations services for the 66th Street Reconstruction Project for a fee not to exceed \$671,815.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

- In 2014, Hennepin County was awarded a federal grant for the reconstruction of 66th Street from Xerxes Avenue to 16th Avenue and is the lead agency for preliminary and final design of the roadway elements and construction.
- The City was responsible to provide final plans to Hennepin County for the reconstruction of City underground utilities (sanitary and water).
- Due to the complexity of City utility replacement along the 66th Street Reconstruction Project, City staff recommend the hiring of Kimley-Horn & Associates to provide focused utility observation services.
- Kimley-Horn & Associates is in the City's Engineering Consultant Pool and is an experienced engineering firm that has also completed the plans, specifications and construction observation services for the Portland Avenue Project, including utility observation.

**B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

- The reconstruction of 66th Street is identified in the City's Comprehensive Plan (Transportation).
- The 66th Street Reconstruction project is identified in the City's Capital Improvement Budget and

Plan.

- Council approval is required for expenditures over \$100,000.

**C. CRITICAL TIMING ISSUES:**

- The County has issued a construction contract for the 66th Street Reconstruction Project. In order to keep the project on schedule, the staff recommends hiring Kimley-Horn & Associates for utility observation services.

**D. FINANCIAL IMPACT:**

- Utility observation services provided by Kimley-Horn & Associates is for a fee not to exceed \$671,815.
- Hennepin County will provide the City \$200,000 toward the cost of Kimley-Horn & Associates services.

**E. LEGAL CONSIDERATION:**

City Attorney will be available to answer questions.

**ALTERNATIVE RECOMMENDATION(S):**

None

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

None

**ATTACHMENTS:**

Description	Type
□ Kimley-Horn Work Proposal	Backup Material



June 17, 2016

Ms. Kristin Asher, P.E.  
Public Works Director  
City of Richfield  
1901 East 66<sup>th</sup> Street  
Richfield, MN 55423

**RE: *Proposal for City Utility Observation Services  
CSAH 53/66<sup>th</sup> Street Reconstruction, Hennepin County Project 1011***

Dear Ms. Asher,

Kimley-Horn and Associates, Inc. ("Kimley-Horn") is pleased to submit this letter proposal ("Proposal") to the City of Richfield ("City") for City utility observation services for Hennepin County's reconstruction of CSAH 53/66<sup>th</sup> Street between Xerxes Avenue South and 16<sup>th</sup> Avenue South. Our project understanding, scope of services, schedule, and fee are detailed below.

## **PROJECT UNDERSTANDING**

Hennepin County is proposing to reconstruct approximately 3 miles of CSAH 53/66<sup>th</sup> Street between Xerxes Avenue South and 16<sup>th</sup> Avenue South. The proposed schedule for the project is as follows:

- Preconstruction Activities and Utility Relocation Work Summer/Fall 2016
- Project Construction Spring 2017 – December 2019

City of Richfield sanitary sewer and water main facilities will be replaced as part of the project. We understand that the estimated construction cost of the utility replacement work is approximately \$4 million.

The City is proposing to have a field representative present during the utility replacement work to verify construction conformance with the plans and specifications and has requested that Kimley-Horn provide these services. The field representative must have training to perform work in a MPCA identified HAZWOPER site.

## **SCOPE OF SERVICES**

Our proposed scope of services for project is detailed below based on our understanding of the City's needs.

## **TASK 1 – PROJECT MANAGEMENT AND COORDINATION**

Provide project management and coordination activities including:

- Monthly invoicing
- Coordination of City utility construction activities with contractors, subcontractors, utility companies, City utility crews, and other stakeholders.

- Review of City utility shop drawings for conformance with the plans and specifications.

## **TASK 2 – CITY UTILITY OBSERVATION**

Provide onsite representation and observation during the replacement of City owned utilities and services. For the purposes of this proposal, we have assumed that this will include services during the following timeframes:

- 2017 full time on-site observation between April 3, 2017 and October 6, 2017 (27 weeks)
- 2018 full time on-site observation between April 2, 2018 and October 5, 2018 (27 weeks)

We have assumed that City utility construction will be substantially complete by the end of 2018 and that 2019 construction will primarily include roadway and restoration work.

Staffing requirements for the observation services will be dependent on the contractor's schedule and approach. For the purposes of this proposal, we have assumed that 2017 staffing will include 2 construction observers working 50 hour weeks, and 2018 staffing will include 1.5 construction observers working 50 hour weeks.

These services will include the observation of the utility replacement work to confirm conformance with the plans and specifications and City of Richfield standards and attendance at weekly construction meetings. We will be available to provide recommendations on any necessary field revisions due to unforeseen or changed conditions and/or to provide construction cost savings.

## **DELIVERABLES**

Our deliverables will include the following:

- Shop drawing reviews and mark-ups
- Daily field observation logs
- Utility installation quantities and costs for monthly partial payments
- Verification of final utility installation quantities and costs for the final payment

## **SERVICES NOT INCLUDED**

The Scope of Services included in this Proposal does not include any of the following:

- Construction staking for City utilities
- Observation of construction activities other than City utility installation
- Material testing services

## **INFORMATION PROVIDED BY THE CLIENT**

We shall be entitled to rely on the completeness and accuracy of all information provided by the City including the following:

- Final plans and specification

- City utility construction specifications and standards

## SCHEDULE

As summarized above, we have assumed that our construction observation services will be performed between April 2017 and October 2018. We have also assumed that some project management and coordination activities will occur starting in October 2016.

## FEE AND BILLING

Kimley-Horn will provide the scope of services identified in this Proposal on an hourly labor fee plus expense basis. The following is a summary of the estimated fees and expenses for the tasks identified in the Scope of Services.

Work Task	Estimated Amount
Task 1 - Project Management and Coordination	\$ 49,940
Task 2 - City Utility Observation	\$583,875
Subtotal	\$633,815
Reimbursable Expenses	\$ 38,000
Total Estimated Cost	\$671,815

A more detailed spreadsheet identifying the estimated hours and costs for each task is attached for your information. Labor fee will be billed according to our current standard hourly rate schedule. Fees will be invoiced monthly based on the actual amount of service performed and expenses incurred.

We appreciate the opportunity to work with the City on this project. Please contact me if you have questions or you need any additional information.

Sincerely,  
KIMLEY-HORN AND ASSOCIATES, INC.



Jon B. Horn, P.E.  
Sr. Vice President

Attachment - Detailed Fee Spreadsheet



**ESTIMATED COST SUMMARY**  
**CSAH 53/66th STREET CITY UTILITY RECONSTRUCTION OBSERVATION SERVICES**  
**CITY OF RICHFIELD, MN**

PREPARED BY: KIMLEY-HORN AND ASSOCIATES, INC.

June 17, 2016

	PROJECT MANAGER	SENIOR FIELD REPRESENTATIVE	FIELD REPRESENTATIVE	CLERICAL	TOTAL ESTIMATED FEE	TOTAL HOURS
<b>TASK 1 - PROJECT MANAGEMENT AND COORDINATION</b>						
Monthly Invoicing	48			48	\$11,760	96
Shop Drawing Review	20	40		8	\$9,260	68
Coordination of City Utility Construction Activities	40	160		16	\$28,920	216
<b>SUBTOTAL</b>	<b>108</b>	<b>200</b>	<b>0</b>	<b>72</b>	<b>\$49,940</b>	<b>380</b>
<b>TASK 2 - CITY UTILITY OBSERVATION</b>						
2017 On-site Utility Observation (April 3 to October 6, 2017 - 27 Weeks @ 50 Hours/Week, 2 Observation Staff)		1350	1350		\$330,750	2700
2018 On-site Utility Observation (April 2 to October 5, 2018 - 27 Weeks @ 50 Hours/Week, 1.5 Observation Staff)		1350	675		\$253,125	2025
<b>SUBTOTAL</b>	<b>0</b>	<b>2700</b>	<b>2025</b>	<b>0</b>	<b>\$583,875</b>	<b>4725</b>
<b>PROJECT HOURS SUBTOTAL</b>	<b>108</b>	<b>2900</b>	<b>2025</b>	<b>72</b>		<b>5105</b>
<b>ESTIMATED FEE</b>	<b>\$18,900</b>	<b>\$377,000</b>	<b>\$232,875</b>	<b>\$5,040</b>	<b>\$633,815</b>	
<b>REIMBURSABLE EXPENSES</b>					<b>\$38,000</b>	
<b>TOTAL PROPOSED FEES AND EXPENSES</b>					<b>\$671,815</b>	



**STAFF REPORT NO. 139**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Chris Regis, Finance Manager

DEPARTMENT DIRECTOR REVIEW: Steven Devich  
9/7/2016

OTHER DEPARTMENT REVIEW: N/A.

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of the approval of a resolution declaring costs to be assessed for unpaid false alarm user fees against private property.**

**EXECUTIVE SUMMARY:**

Richfield City Code and City Charter allow the City to specially assess delinquent false alarm user fees against the respective properties. State Statutes provide that the City may levy a special one year assessment for these costs.

Unpaid alarm user fees must be paid to the City within 30 days from the date of written notice by the City to the alarm user. Fees not paid within the time specified will be subject to a 10% penalty charge.

The special assessment for unpaid false alarm user fees from private properties is to recover costs incurred by the City in connection with the response by public safety to an alarm call on certain properties in the City that turns out to be false.

**RECOMMENDED ACTION:**

**By Motion: Adopt the resolution declaring costs to be assessed and ordering the preparation of the proposed assessment roll for unpaid false alarm user fees against private property and setting the public hearing date for October 11, 2016.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

N/A.

**B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

- Richfield City Code section 915.07 Subd. 3 and chapter 8.02 of the City Charter allows the City to specially assess delinquent false alarm user fees against the respective properties.
- Minnesota State Statutes provide that the City may levy a special one-year assessment for these costs.
- Notice of the certification will be published in the Sun Current September 22, 2016.

**C. CRITICAL TIMING ISSUES:**

N/A.

**D. FINANCIAL IMPACT:**

- A 10% penalty charge is applied to all properties which have not paid within the time specified.
- The proposed special assessment for unpaid false alarm user fees from private property is \$1,760.00 with an additional 5% interest charge on the assessment.
- The affected property owner may prepay the original principal amount without interest within 30 days from the date the Council adopts the assessment, scheduled for October 11, 2016. If the original principal amount is not paid, the assessment will be charged 5% interest.

**E. LEGAL CONSIDERATION:**

- No legal issues are apparent at this time. The City Attorney will be in attendance at the Council meeting should a legal question arise.

**ALTERNATIVE RECOMMENDATION(S):**

Do not approve the resolution and have the costs absorbed by the City.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A.

**ATTACHMENTS:**

Description	Type
▢ Resolution to Declare Costs for False Alarms	Resolution Letter

## RESOLUTION NO.

### RESOLUTION DECLARING COSTS TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENT FOR UNPAID FALSE ALARM FEES FROM PRIVATE PROPERTY.

**WHEREAS**, costs have been determined for unpaid false alarm fees from private properties in the City of Richfield in the amount of \$1,760.00.

Property Address	Property ID Number	Unpaid False Alarm Fee
1732 66th Street E	26-028-24-14-0130	440.00
28 W 66th St.	27-028-24-24-0061	330.00
6625 Lyndale Ave S	27-028-24-32-0137	110.00
6636 Cedar Ave S	26-028-24-41-0063	330.00
6800 Penn Ave S	29-028-24-44-0009	220.00
7034 Cedar Ave S	35-028-24-11-0010	110.00
7401 18th Ave S	35-028-24-41-0013	110.00
7740 S 2nd Ave	34-028-24-43-0005	110.00
	Total	<u>\$1,760.00</u>

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota:

1. The total cost to be assessed against benefited property owners is declared to be \$1,760.00.
2. The City Clerk shall forthwith calculate the proper amount to be specially assessed for costs incurred against each benefited property, and shall file a copy of such proposed assessment in her office for public inspection.
3. The Clerk shall, upon the completion of such proposed assessment, notify the City Council thereof.
4. A hearing shall be held on the 11th day of October, 2016 in the City Hall Council Chambers at 7:00 p.m., or as soon as hereafter as it may be reached on the agenda, to pass upon such proposed assessment and at such time and place all persons owning property affected by the unpaid false alarm fee assessment will be given an opportunity to be heard in reference to such assessment.
5. The City Clerk is hereby directed to cause a notice of the hearing on the proposed assessment at least two weeks prior to the hearing and shall state in the notice the total cost of the unpaid false alarm fees. The City Clerk shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearing.

Adopted by the City Council of the City of Richfield this 13th day of September, 2016.

\_\_\_\_\_  
Debbie Goettel, Mayor

ATTEST:

\_\_\_\_\_  
Elizabeth VanHoose, City Clerk



**STAFF REPORT NO. 140**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Chris Regis, Finance Manager

DEPARTMENT DIRECTOR REVIEW: Steven Devich  
9/7/2016

OTHER DEPARTMENT REVIEW: N/A.

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of the approval of a resolution declaring costs to be assessed for current services performed for weed elimination from private property and removal or elimination of public health or safety hazards from private property.**

**EXECUTIVE SUMMARY:**

Minnesota State Statutes provide that the City may levy a special one year assessment for the elimination of public health or safety hazards or the elimination of weeds from private properties.

The special assessments are based on costs incurred by the City in connection with the abatement of weeds or public health or safety hazards on certain properties in the City which are not properly maintained.

The owners of the subject properties are notified by the City to take corrective action with regard to the issue with the property. If the specific property issues were not abated within the proper time limit the City would take the corrective action necessary and bill the property owner.

In all cases, property owners will be notified that any unpaid charges or fees may be assessed against the property.

**RECOMMENDED ACTION:**

**By Motion: Adopt the resolution declaring costs to be assessed and ordering the preparation of the proposed assessment roll for weed elimination from private property and removal or elimination of public health or safety hazards from private property and setting the public hearing date for October 11, 2016.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

N/A.

**B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

- The nuisance properties were not maintained by the owners and the City incurred costs to abate the nuisance.

- Minnesota State Statutes and Richfield City Code provide that the City may levy a special one-year assessment for these costs.
- Notice of the certification will be published in the Sun Current September 22, 2016.

**C. CRITICAL TIMING ISSUES:**

N/A.

**D. FINANCIAL IMPACT:**

- The proposed special assessment for the elimination of public health or safety hazards from private property is \$420.00 with an additional 5% interest penalty.
- The proposed special assessment for weed elimination from private property is \$4,350.00 with an additional 5% interest penalty.
- Costs incurred for city staff time in the cleanup of the properties or to remove the weeds are included in the special assessment amount.
- A \$25.00 administrative fee is charged to all properties.
- The affected property owner may prepay the original principal amount without interest within 30 days from the date the Council adopts the assessment, scheduled for October 11, 2016. If the original principal amount is not paid, the assessment will be charged 5% interest.

**E. LEGAL CONSIDERATION:**

- No legal issues are apparent at this time. The City Attorney will be in attendance at the Council meeting should a legal question arise.

**ALTERNATIVE RECOMMENDATION(S):**

- Do not approve the resolution and have the costs absorbed by the City.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A.

**ATTACHMENTS:**

Description	Type
<div> <div>  </div> <div> Resolution to Declare Costs Current Service Special Assessments </div> </div>	Resolution Letter

**RESOLUTION NO.**

**RESOLUTION DECLARING COSTS TO BE ASSESSED AND  
ORDERING PREPARATION OF PROPOSED ASSESSMENT FOR  
WEED ELIMINATION FROM PRIVATE PROPERTY AND REMOVAL OR  
ELIMINATION OF PUBLIC HEALTH OR SAFETY HAZARDS FROM PRIVATE  
PROPERTY.**

**WHEREAS**, costs have been determined for weed elimination and removal or elimination of public health or safety hazards from private properties in the City of Richfield and the expenses incurred or to be incurred for such work ordered amount to \$4,770.00.

Property Address	Property ID Number	Weed Elimination	Public Health or Safety Hazards
1415 66th Street E	26-028-24-42-0002	145.00	-
1430 66th Street E	26-028-24-13-0084	290.00	120.00
1820 66th Street W	28-028-24-24-0089	145.00	-
209 Pillsbury Lane	34-028-24-24-0068	290.00	-
6236 Bloomington Ave S	26-028-24-12-0049	145.00	-
6345 15th Ave S	26-028-24-12-0109	145.00	-
6428 Washburn Ave S	29-028-24-13-0017	290.00	-
6529 Newton Ave S	28-028-24-23-0110	-	100.00
6600 4th Ave S	27-028-24-41-0044	145.00	100.00
6604 5th Ave S	27-028-24-41-0024	290.00	-
6639 Bloomington Ave S	26-028-24-41-0059	145.00	-
6700 Grand Ave S	27-028-24-32-0068	145.00	-
6814 Cedar Ave S	26-028-24-44-0003	145.00	-
6821 Queen Ave S	29-028-24-44-0179	290.00	-
7111 Portland Ave	35-028-24-22-0081	145.00	-
7144 4th Ave S	34-028-24-11-0044	870.00	-
7320 4th Ave s	34-028-24-14-0065	435.00	100.00
7438 Clinton Ave S	34-028-24-41-0081	145.00	-
7633 15th Ave S	35-028-24-43-0051	145.00	-
Total		\$4,350.00	\$420.00

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota:

1. The total cost to be assessed against benefited property owners is declared to be \$4,770.00.
2. The City Clerk shall forthwith calculate the proper amount to be specially assessed for such work against each benefited property, and shall file a copy of such proposed assessment in her office for public inspection.

3. The Clerk shall, upon the completion of such proposed assessment, notify the City Council thereof.
4. A hearing shall be held on the 11th day of October, 2016 in the City Hall Council Chambers at 7:00 p.m., or as soon as hereafter as it may be reached on the agenda, to pass upon such proposed assessment and at such time and place all persons owning property affected by the weed elimination and/or removal of public health or safety hazards assessment will be given an opportunity to be heard in reference to such assessment.
5. The City Clerk is hereby directed to cause a notice of the hearing on the proposed assessment at least two weeks prior to the hearing and shall state in the notice the total cost of the weed elimination and the removal or elimination of public health or safety hazards. The City Clerk shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearing.

Adopted by the City Council of the City of Richfield this 13th day of September, 2016.

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Debbie Goettel, Mayor

ATTEST:

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Elizabeth VanHoose, City Clerk





**STAFF REPORT NO. 141**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Jack Broz, Transportation Engineer

DEPARTMENT DIRECTOR REVIEW: Kristin Asher, Public Works Director  
9/6/2016

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of the 70th Street Bicycle Route and adoption of a resolution restricting parking along portions of the route.**

**EXECUTIVE SUMMARY:**

**Project Goals**

The City's Complete Streets Policy, Bicycle Master Plan, and Guiding Principles have established goals for multimodal transportation options for Richfield residents. The proposed 70th Street Bicycle Route is consistent with these goals and is intended to add over 2 miles of planned bicycle routes on 70th Street (Lyndale Avenue to Cedar Avenue).

In 2014, the Three Rivers Park District recognized the potential for community connections to their regional trail system and selected the proposed 70th Street Bicycle Route to be included in their "On-ramps to the Regional System" program.

**Connections**

This project would provide safer bicycle connections to:

- Richfield Senior High School
- Augsburg Park
- Augsburg Library
- Richfield Community Center
- Richfield Dual Language School
- Richfield STEM School
- Christian Park

The 70th Street Bicycle Route will also provide connections to the following existing bicycle facilities:

- Nicollet Avenue (bikeable shoulder)
- Portland Avenue (off-street trail and on-street bicycle lanes)
- Bloomington Avenue (on-street bicycle lanes)
- The recently completed Nokomis-Minnesota River Regional Trail along Cedar Avenue.

In addition, this route connects to Metro Transit Bus Routes on Lyndale, Nicollet, Portland, and Bloomington Avenues.

### **Additional Parking Restrictions**

Where parking restrictions are not in place, additional parking restrictions would be required for the route to be implemented. Impacted property owners were contacted and, where possible, some elements of the route design were adjusted based on their feedback.

### **Project Schedule**

The project, which consists of painting and signage only, would be constructed in 2017 and coordinated with the City's Mill and Overlay Program.

### **RECOMMENDED ACTION:**

#### **By Motion:**

1. **Approve the 70th Street Bicycle Route plans as recommended by the Transportation Commission and authorize City and Three Rivers Park District staff to proceed with bidding and construction of the project.**
2. **Adopt the Resolution Relating to Traffic Control Signs "No Parking" on 70th Street (between Nicollet Avenue and 18th Avenue).**

### **BASIS OF RECOMMENDATION:**

#### **A. HISTORICAL CONTEXT**

- The 70th Street Bicycle Route was identified in the City's Bicycle Master Plan.
- The 70th Street Bicycle Route was selected by the Three Rivers Park District (TRPD) to be included in their "On-ramp to the Regional System" program.
- The TRPD received federal funding from the Federal Transportation Alternatives Program (TAP) in 2014 to construct the "On-ramps" program including this project which will add over 2 miles of planned bicycle route on 70th Street between Lyndale and Cedar Avenues.
- The project was presented and discussed at the June 14 Council Worksession.
- A public open house for the project was held on July 19 and minor plan modifications were made based on input received.
- Transportation Commission recommended the project to Council during their August 3, 2016 meeting.
- The project, which will provide dedicated on-street "buffered" bicycle lanes, will require "No Parking" restrictions along some areas of the route (See Attached Project Presentation and Fact Sheet for locations).

#### **B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

- The project is consistent with the following City documents:
  - The City's Comprehensive Plan (Chapter 6 - Transportation)
  - Complete Streets Policy
  - Bicycle Master Plan
  - Guiding Principles for Road Projects

#### **C. CRITICAL TIMING ISSUES:**

- The TRPD design team is preparing final construction documents with an anticipated completion in the fall of 2016.
- Construction (paint and signage) would take place in 2017.

#### **D. FINANCIAL IMPACT:**

- The construction estimate is \$96,900 (80% Federal - \$77,520, 20% City - \$19,380).

#### **E. LEGAL CONSIDERATION:**

- The City Attorney will be available to answer questions.

### **ALTERNATIVE RECOMMENDATION(S):**

None

### **PRINCIPAL PARTIES EXPECTED AT MEETING:**

Josh Bowe, Civil Engineer, Three Rivers Park District

**ATTACHMENTS:**

Description	Type
📎 70th Street Bicycle Rout Project Background	Cover Memo
📎 Open House meeting summary	Cover Memo
📎 Council Work Session presentation	Cover Memo
📎 No Parking Resolution	Resolution Letter

# 70TH STREET BICYCLE ROUTE LYNDALE AVENUE TO CEDAR AVENUE

## PROJECT BACKGROUND

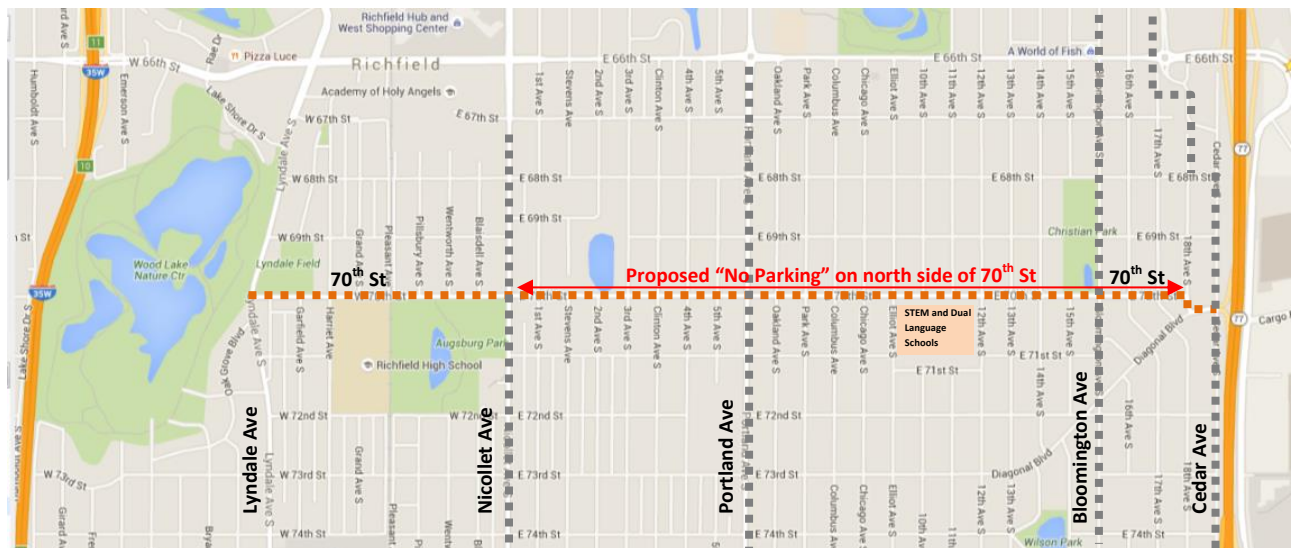
The City's [Complete Streets Policy](#), [Bicycle Master Plan](#), and [Guiding Principles](#) have established goals for multimodal transportation options for Richfield residents. This project is intended to add over 2 miles of planned bicycle routes on 70<sup>th</sup> Street, (Lyndale Avenue to Cedar Avenue).

This project would provide safer bicycle connections to:

- Richfield Senior High School
- Augsburg Park
- Augsburg Library
- Richfield Community Center
- Richfield Dual Language School
- Richfield STEM School
- Christian Park

The 70<sup>th</sup> Street Bicycle Route will provide connections to the City's existing bicycle facilities on Nicollet Avenue (bikeable shoulder), Portland Avenue (off-street trail and on-street bicycle lanes), Bloomington Avenue (on-street bicycle lanes) and the new off-street Nokomis-Minnesota River Regional Trail along Cedar Avenue. This route also connects to Metro Transit Bus Routes on Lyndale, Nicollet, Portland, and Bloomington Avenues.

## PROJECT MAP



**LEGEND:**     - - - - - PROPOSED BICYCLE ROUTE     - - - - - EXISTING BICYCLE FACILITIES

## PROJECT ELEMENTS

- Bicycle Route Pavement Markings and Signs
- New Street Name Signs with Bicycle Route designation
- No Parking Restrictions on the north side of 70<sup>th</sup> from approximately Nicollet Ave to 18<sup>th</sup> Avenue

# 70TH STREET BICYCLE ROUTE LYNDALE AVENUE TO CEDAR AVENUE

## TIMELINE

- Public Input and Preliminary Design- Summer 2016
- Final Design- Fall/Winter 2016
- Construction- Summer 2017

## PROJECT FINANCING

- Design - Three Rivers Park District
- Construction Administration - Three Rivers Park District
- Construction Funding - Federal and Municipal State Aid

## PUBLIC INPUT

Please take a few minutes and let us know your thoughts – we welcome your comments and suggestions.

Transportation Commission Meetings: June 1 and August 3, 2016 (7:00 pm at Richfield's Municipal Center)

Public Open House- July 19, 2016

City Council- August 2016

## CONTACT INFORMATION

### **Jack Broz**

Richfield Public Works  
1901 66<sup>th</sup> St East  
Richfield, MN 55423

Phone: 612.861.9792

Fax: 612.861.9796

[JBroz@cityofrichfield.org](mailto:JBroz@cityofrichfield.org)

### Meeting Summary

Public Open House 7/19/2016

Richfield Community Center

## 70<sup>th</sup> Street Bicycle Route Improvement Project

### Meeting Purpose

The goal of the meeting was to let the public know about the upcoming project and project's features:

- Bicycle Route Pavement Markings and Signs
- New Street Name Signs with Bicycle Route designation
- No Parking Restrictions on the north side of 70<sup>th</sup> from approximately Nicollet Ave to 18<sup>th</sup> Avenue

### Meeting Notice

- Approximately 800 invitations were mailed to the property owners in the Richfield area near 70<sup>th</sup> Street
- Posted on the City's website calendar
- Posted on the Three Rivers Park District website
- Sweet Streets Website updated with project information
- Open House "Facebook events" were created on the Sweet Streets Page

### Public Response

Approximately 40 residents attended and 15 comment cards were filled out and one email received.

Written comment summary:

- 8 comments were supportive of the proposed design along with related notes as follows:
  - 1 comment requested buffered bicycle lanes
  - 1 comment questioned the timing of the project and the 66<sup>th</sup> St construction
  - 1 comment requested repainting 76<sup>th</sup> bicycle lanes and additional signage
- 5 comments were not supportive of the project with the following concerns:
  - 3 comments expressed safety concerns about adding bicycle traffic to 70<sup>th</sup> Street
  - 2 comments expressed concerns about the loss of on-street parking
- 3 comments were received that did not directly comment on the proposed project.
  - 1 comment requested more street sweeping on 76<sup>th</sup> Street bicycle lanes.
  - 1 comment requested an educational program for bicycle education.
  - 1 comment expressed a concern about the City's share of the construction costs



**City Council Worksession**  
**August 23, 2016**





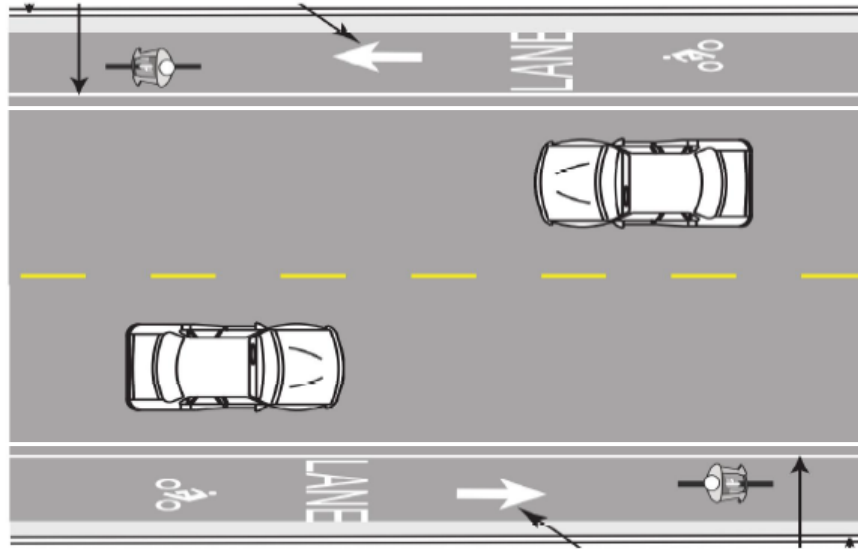
# 70<sup>th</sup> Street Bikeway

- Pavement markings and street signs
- Additional Parking Restrictions
- 7/19/2016 Open House Summary
- Next steps



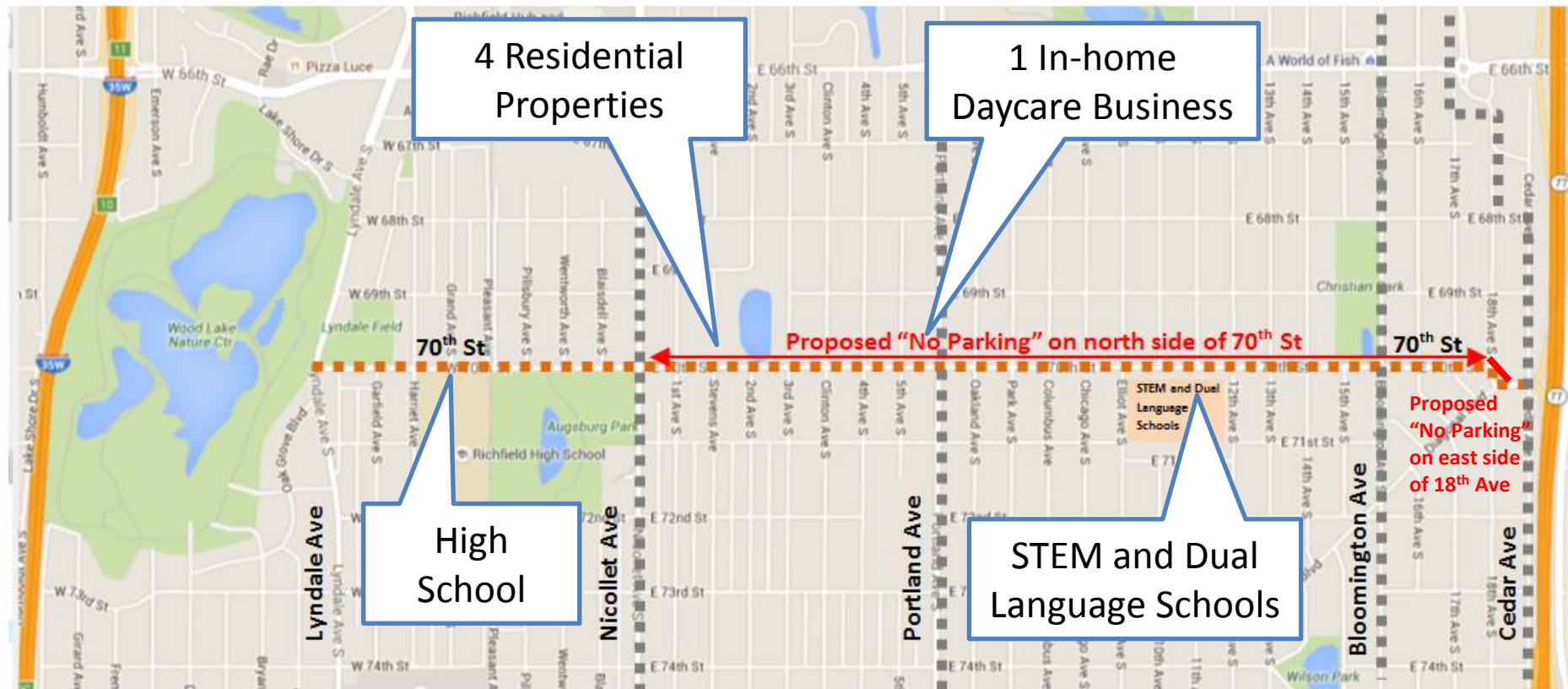


# Pavement Markings and Street Signs



# No Parking Restrictions

## PROJECT MAP



# 70<sup>th</sup> Street Bikeway

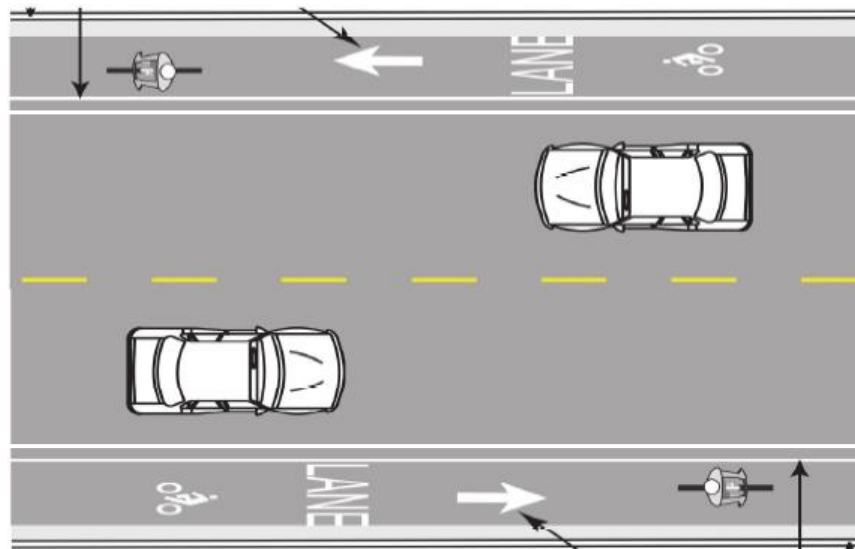
## 7/19/2016 Open House Summary

- 8 comments were supportive of the proposed design along with related notes as follows:
  - 1 comment requested buffered bicycle lanes
  - 1 comment questioned the timing of the project and the 66<sup>th</sup> St construction
  - 1 comment requested repainting 76<sup>th</sup> bicycle lanes and additional signage
- 5 comments were not supportive of the project with the following concerns:
  - 3 comments expressed safety concerns about adding bicycle traffic to 70<sup>th</sup> Street
  - 2 comments expressed concerns about the loss of on-street parking



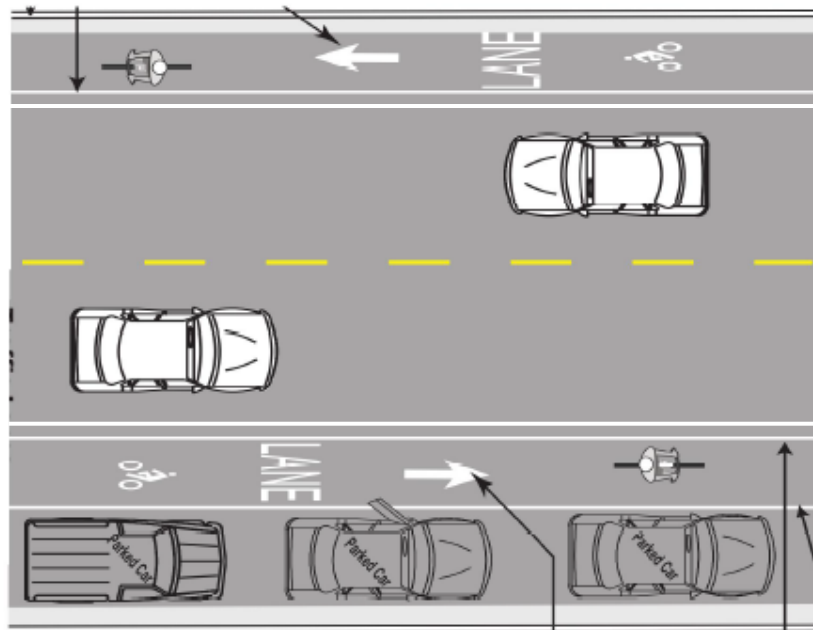
# 70<sup>th</sup> Street- Lyndale to Portland

BIKE LANES - NO PARKING EITHER SIDE OF 70TH STREET  
(Existing condition from Lyndale to Nicollet Avenues)



# 70<sup>th</sup> Street- Portland to 18<sup>th</sup> Ave

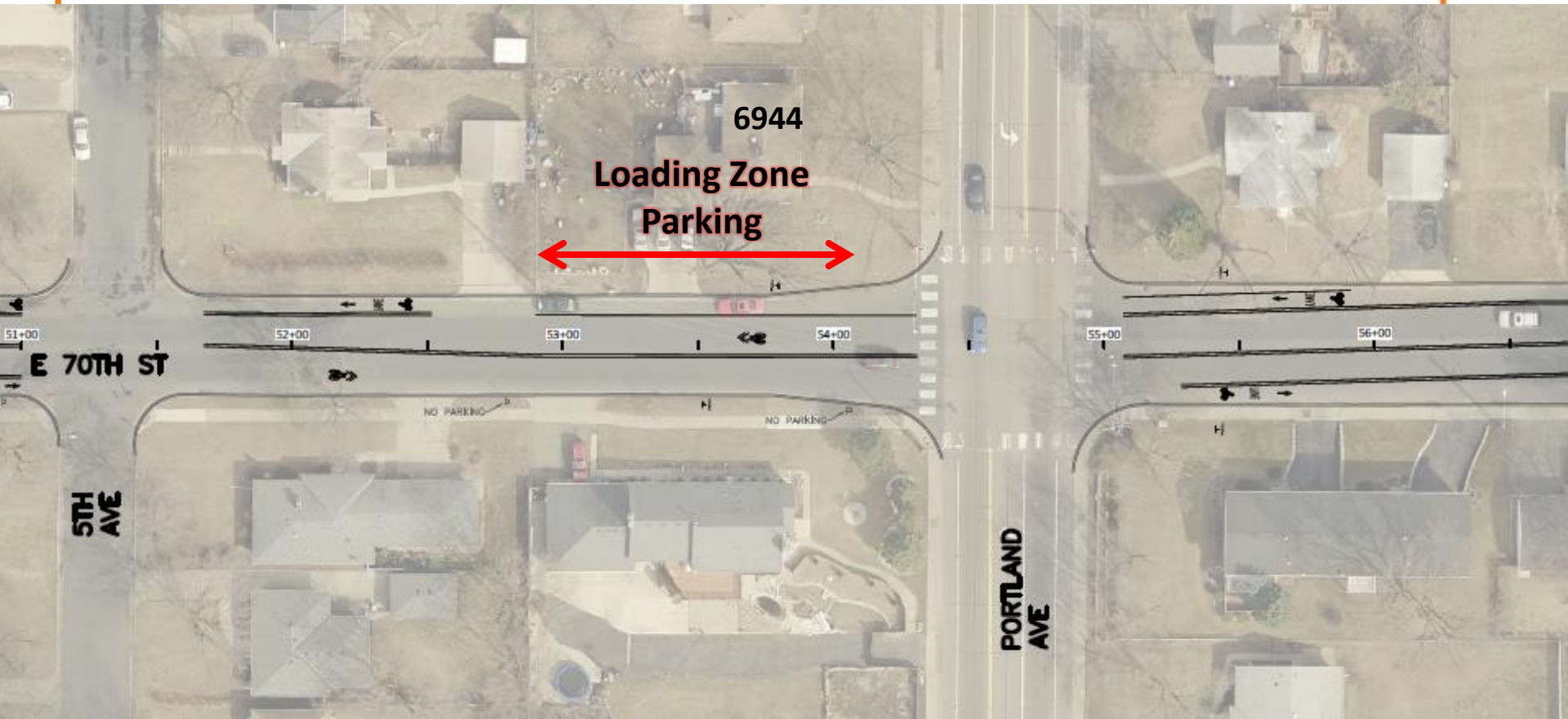
BIKE LANES - NO PARKING NORTH SIDE OF 70TH STREET





# 70<sup>th</sup> Street- At Portland Ave

- Wide outside Lanes- Parking on north Side of 70<sup>th</sup> Street



# Additional Parking Restrictions

- 70<sup>th</sup> Street, north side
  - Nicollet Ave to Portland Ave (except at 6944 Portland Ave)
  - Portland Ave to 18<sup>th</sup> Ave
- 70<sup>th</sup> Street, south side
  - Portland Ave to Oakland Ave
- 18<sup>th</sup> Ave, east side
  - 70<sup>th</sup> St to Diagonal Boulevard





# SWEET STREETS:

*better roads, better Richfield*



**RESOLUTION NO.**

**RESOLUTION RELATING TO TRAFFIC CONTROL SIGNS  
“NO PARKING” ON 70<sup>th</sup> STREET**

**BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota, as follows:

That the City staff is hereby authorized and directed to erect the following signs at the following locations:

“No Parking Any Time” on the north side of 70<sup>th</sup> Street commencing from the intersection of Nicollet Avenue east to 5<sup>th</sup> Avenue.

“No Parking Any Time” on the both sides of 70<sup>th</sup> Street commencing from the intersection of 5<sup>th</sup> Avenue east to Oakland Avenue except “No Parking Loading Zone” on the north side of 70<sup>th</sup> Street adjacent to the parcel at 6944 Portland Avenue.

“No Parking Any Time” on the north side of 70<sup>th</sup> Street commencing from the intersection of Oakland Avenue east to 18<sup>th</sup> Avenue.

“No Parking Any Time” on the east side of 18<sup>th</sup> Avenue commencing from the intersection of 70<sup>th</sup> Street south to Diagonal Boulevard.

That when the aforementioned traffic control signs have been so erected on said street, they shall be official traffic control signs of the City of Richfield and failure to observe such signs shall constitute a violation of the traffic ordinance of this City.

Adopted by the City Council of the City of Richfield, Minnesota this 13<sup>th</sup> day of September 2016.

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Debbie Goettel, Mayor

ATTEST:

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Elizabeth VanHoose, City Clerk



**STAFF REPORT NO. 142**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Chris Regis, Finance Manager

DEPARTMENT DIRECTOR REVIEW: Steven Devich  
9/7/2016

OTHER DEPARTMENT REVIEW: N/A.

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of a resolution authorizing the refunding of the \$4,705,000 G.O. Capital Improvement Plan Bonds, Series 2007A, dated July 10, 2007 and the \$4,250,000 G.O. Improvement Bonds, Series 2007B, dated July 10, 2007 with the \$5,450,000 G.O. Refunding Bonds, Series 2016B.**

**EXECUTIVE SUMMARY:**

In 2007 the City issued two separate bond issues, the \$4,705,000 G.O. Capital Improvement Bonds, Series 2007A and the \$4,250,000 G.O. Improvement Bonds, Series 2007B.

The Series 2007A bonds were issued to help fund the construction of the new public works maintenance facility.

The Series 2007B bonds financed public improvements, including the roundabout at 66th Street and Richfield Parkway.

Interest rates continue to be at low levels, and the City's Municipal Advisor, Ehlers & Associates, Inc. periodically reviews the City's outstanding bond issues to determine which issues, if any are feasible for refunding. Upon the latest review of the bond issues, Ehlers & Associates, Inc. recommends undertaking a bond refunding of the Series 2007A and 2007B to take advantage of the low interest rates and realize interest savings.

For this refunding the savings is estimated to be \$1,011,020 for the Series 2007A bonds and \$406,710 for the Series 2007B bonds. The combined estimated total savings would be \$1,417,730.

Included in of the refunding of the Series 2007A bonds, the City plans to contribute \$500,000 of sales proceeds to be received from the sale of the former City maintenance facility site. The closing on that sale is expected to take place at the end of September 2016.

The type of refunding being presented is a current refunding. In a current refunding transaction, the bonds being refunded will either all mature or be redeemed within 90 days or less from the date of issuance of the refunding issue. The City would then begin to make payments on the newly issued "refunding bonds."

Accordingly, the Series 2016B bonds are being issued to provide funds sufficient for a current refunding on

February 1, 2017. The par amount of the Series 2007A and Series 2007B to be called on the call date is \$3,060,000 and \$2,775,000 respectively.

**RECOMMENDED ACTION:**

**By Motion: Approve the resolution providing for the sale of the \$5,450,000 General Obligation Refunding Bonds, Series 2016B.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

N/A.

**B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

N/A.

**C. CRITICAL TIMING ISSUES:**

- The sale of the refunding bonds at this time will allow the City to take advantage of the low interest rates and realize interest savings.

**D. FINANCIAL IMPACT:**

- On the basis of Ehlers & Associates, Inc. review, it appears that the current interest rate climate makes it feasible to refund the two bond issues.
- The current outstanding principal balance of the Series 2007A and 2007B bonds is \$3,060,000 and \$2,775,000 respectively. The City will continue to make the principal and interest payments up to and on the refunding date.
- The \$5,450,000 G.O. Refunding Bonds, Series 2016B are being issued to provide funds for a current refunding on February 1, 2017, on all of the City's callable G.O. Capital Improvement Bonds, Series 2007A and callable G.O. Improvement Bonds, Series 2007B.
- Included in the refunding of the Series 2007A bonds, the City plans to contribute \$500,000 of the sales proceeds from the sale of the former City maintenance facility site.
- It is estimated that this refinancing under current rates would reduce the interest costs of paying these two debt issues by approximately \$1,417,730.
- This savings expressed in present value terms is approximately 13.510% of the refunded principal or \$788,298.
- The bonds are being issued for a 12-year period; this does not extend the term of the original issue. The maturity date of the new refunding issue will be the same as the two current outstanding issues.

**E. LEGAL CONSIDERATION:**

- Legal Counsel has reviewed the Pre-Sale report and the attached resolution.

**ALTERNATIVE RECOMMENDATION(S):**

- Disregard the current refunding option, continue to retire the bonded debt as presently scheduled, and forego the projected savings.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

Rebecca Kurtz, Ehlers & Associates

**ATTACHMENTS:**

Description	Type
❑ Resolution Providing for the Sale of \$5,450,000 G.O. Refunding Bonds, Series 2016B	Resolution Letter
❑ Presale Report \$5,450,000 G.O. Refunding Bonds, Series 2016B	Backup Material

**Resolution No. \_\_\_\_\_**

**Resolution Providing for the Sale of  
\$5,450,000 General Obligation Refunding Bonds, Series 2016B**

- A. WHEREAS, the City Council of the City of Richfield, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$5,450,000 General Obligation Refunding Bonds, Series 2016B (the "Bonds"), to finance the current refunding of the \$4,705,000 G.O. Capital Improvement Plan Bonds, Series 2007A and \$4,250,000 G.O. Improvement Bonds , Series 2007B; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richfield, Minnesota, as follows:

1. Authorization; Findings. The City Council hereby authorizes Ehlers to assist the [Jurisdiction Type] for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 7:00 PM on October 25, 2016, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

Adopted by the City Council of the City of Richfield, Minnesota this 13<sup>th</sup> day of September, 2016.

\_\_\_\_\_  
Debbie Goettel, Mayor

ATTEST:

\_\_\_\_\_  
Elizabeth VanHoose, City Clerk



**EHLERS**  
LEADERS IN PUBLIC FINANCE

September 13, 2016

## Pre-Sale Report for

City of Richfield, Minnesota

\$5,450,000 General Obligation Refunding Bonds,  
Series 2016B



**Prepared by:**

Rebecca Kurtz, CIPMA  
Senior Municipal Advisor

And

Brian Reilly, CIPMA  
Senior Municipal Advisor



## Executive Summary of Proposed Debt

Proposed Issue:	\$5,450,000 General Obligation Refunding Bonds, Series 2016B
Purposes:	<p>The proposed issue includes financing for a current refunding for interest savings on the following two issues:</p> <ul style="list-style-type: none"> <li>Current refunding of the \$4,705,000 G.O. Capital Improvement Plan (“CIP”) Bonds, Series 2007A, which financed the public works maintenance garage. Debt service will be paid from ad valorem property taxes. In addition, the City is contributing \$500,000 to the refunding.</li> </ul> <p>Interest rates on the obligations proposed to be refunded are 4.25% to 4.30%. The refunding is expected to reduce interest expense by approximately \$1,011,020 over the next 12 years. The Net Present Value Benefit of the refunding is estimated to be \$417,582, equal to 13.646% of the refunded principal.</p> <p>This refunding is considered to be a Current Refunding as the obligations being refunded are either callable (pre-payable) now, or will be within 90 days of the date of issue of the new Bonds.</p> <ul style="list-style-type: none"> <li>Current refunding of the \$4,250,000 G.O. Improvement Bonds, Series 2007B, which financed improvements, including the roundabout, near Cedar Avenue and 66<sup>th</sup> Street. Debt service will be paid from special assessments and ad valorem property taxes.</li> </ul> <p>Interest rates on the obligations proposed to be refunded are 4.25% to 4.30%. The refunding is expected to reduce interest expense by approximately \$406,710 over the next 12 years. The Net Present Value Benefit of the refunding is estimated to be \$370,716, equal to 13.359% of the refunded principal.</p> <p>Both refundings are considered to be current refundings as the obligations being refunded are either callable (pre-payable) now, or will be within 90 days of the date of issue of the new Bonds. The call date on both issues is February 1, 2017.</p>
Authority:	<p>The Bonds are being issued pursuant to Minnesota Statutes, Chapters:</p> <ul style="list-style-type: none"> <li>475 – General bonding authority</li> <li>475.521 – Allows issuance of general obligation debt without referendum to fund for specific capital improvements. Total annual debt service is limited to 0.16% of the taxable market value of the property in the City.</li> <li>429 – Allows issuance of general obligation debt without referendum to fund projects for which the City assesses at least 20% of the cost</li> </ul>



	<p>The CIP portion counts against the City's General Obligation Debt Capacity Limit of 3% of market value.</p> <p>The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p>
<b>Term/Call Feature:</b>	<p>The Bonds are being issued for a 12 year term. Principal on the Bonds will be due on February 1 in the years 2018 through 2028. Interest is payable every six months beginning August 1, 2017.</p> <p>The Bonds maturing on and after February 1, 2026 will be subject to prepayment at the discretion of the City on February 1, 2025 or any date thereafter.</p>
<b>Bank Qualification:</b>	<p>Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as "bank qualified" obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.</p>
<b>Rating:</b>	<p>The City's most recent bond issues were rated AA+ by Standard &amp; Poor's. The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City's bond rating in the event that the bond rating of the insurer is higher than that of the City.</p>
<b>Basis for Recommendation:</b>	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of general obligation bonds as a suitable financing option. The issues being refunded are general obligation bonds. It has been the City's practice and policy to finance capital improvements and street and utility projects with this type of debt. In addition, the issuance of general obligation bonds provides the most overall cost effective option that still maintains future flexibility for the repayment of the debt.</p>
<b>Method of Sale/Placement:</b>	<p>In order to obtain the lowest interest cost to the City, we will competitively bid the purchase of the Bonds from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 1% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p>





	<p><b>Premium Bids:</b> Under current market conditions, most investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.”</p> <p>The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2% to 10% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p> <p>For this issue of Bonds we have been directed to use the premium to reduce the size of the issue. The adjustments may slightly change the true interest cost of the original bid, either up or down.</p> <p>You have the choice to limit the amount of premium in the bid specifications. This may result in fewer bids, but it may also eliminate large adjustments on the day of sale and other uncertainties.</p>
Review of Existing Debt:	<p>In addition to the issues being considered, the G.O. Capital Improvement Bonds, Series 2009A also present a refunding opportunity. After discussions with staff, it is proposed that the City will wait until after January 1, 2017 to consider this refunding. This will allow all of the 2016 debt to be issued as bank qualified.</p> <p>We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
Arbitrage Monitoring:	<p>Because the Bonds are tax-exempt obligations/tax credit obligations, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Tax Certificate prepared by your Bond Attorney and provided at closing. We recommend that you regularly monitor compliance with these rules and/or retain the services of a qualified firm to assist you.</p>



Risk Factors:	<p><b>Special Assessments:</b> We have not assumed any pre-paid special assessments, and we have assumed that assessments levied as projected. If the City receives a significant amount of pre-paid assessments or does not levy the assessments, it may need to increase the levy portion of the debt service to make up for lower interest earnings than the expected assessment interest rate.</p> <p><b>Current Refunding:</b> The Bonds are being issued for the purpose of current refunding prior City debt obligations. Those prior debt obligations are “callable” now and can therefore be paid off within 90 days or less. The new Bonds will not be pre-payable until February 1, 2025.</p> <p>This refunding is being undertaken based in part on an assumption that the City does not expect to have future revenues to pay off this debt and that market conditions warrant the refinancing at this time.</p>
Other Service Providers:	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p><b>Bond Attorney:</b> Kennedy &amp; Graven, Chartered</p> <p><b>Paying Agent:</b> Bond Trust Services Corporation</p> <p><b>Rating Agency:</b> Standard &amp; Poor’s</p>

This presale report summarizes our understanding of the City’s objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City’s objectives.



## Proposed Debt Issuance Schedule

Pre-Sale Review by City Council:	September 13, 2016
Distribute Official Statement:	Week of October 10, 2016
Conference Call with Rating Agency:	Week of October 10, 2016
City Council Meeting to Award Sale of the Bonds:	October 25, 2016
Estimated Closing Date:	November 17, 2016
Redemption Date for Bonds	February 1, 2017

## Attachments

Sources and Uses of Funds  
Proposed Debt Service Schedule  
Refunding Savings Analysis  
Resolution Authorizing Ehlers to Proceed With Bond Sale

## Ehlers Contacts

Municipal Advisors:	Rebecca Kurtz	(651) 697-8516
	Brian Reilly	(651) 697-8541
Disclosure Coordinator:	Jen Chapman	(651) 697-8566
Financial Analyst:	Alicia Gage	(651) 697-8551

The Official Statement for this financing will be mailed to the City Council at their home address or e-mailed for review prior to the sale date.



# City of Richfield, Minnesota

\$5,450,000 General Obligation Refunding Bonds, Series 2016B

Issue Summary - Current Refundings 2007A & 2007B

Assumes Current Market BQ AA+ Rates plus 25bps

## Total Issue Sources And Uses

Dated 11/17/2016 | Delivered 11/17/2016

	Cur Ref 2007A	Cur Ref 2007B	Issue Summary
<b>Sources Of Funds</b>			
Par Amount of Bonds	\$2,615,000.00	\$2,835,000.00	\$5,450,000.00
Planned Issuer Equity contribution	500,000.00	-	500,000.00
<b>Total Sources</b>	<b>\$3,115,000.00</b>	<b>\$2,835,000.00</b>	<b>\$5,950,000.00</b>
<b>Uses Of Funds</b>			
Total Underwriter's Discount (1.000%)	26,150.00	28,350.00	54,500.00
Costs of Issuance	28,309.17	30,690.83	59,000.00
Deposit to Current Refunding Fund	3,060,000.00	2,775,000.00	5,835,000.00
Rounding Amount	540.83	959.17	1,500.00
<b>Total Uses</b>	<b>\$3,115,000.00</b>	<b>\$2,835,000.00</b>	<b>\$5,950,000.00</b>



# City of Richfield, Minnesota

## \$5,450,000 General Obligation Refunding Bonds, Series 2016B

### Issue Summary - Current Refundings 2007A & 2007B

Assumes Current Market BQ AA+ Rates plus 25bps

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/17/2016	-	-	-	-	-
08/01/2017	-	-	57,407.53	57,407.53	-
02/01/2018	445,000.00	1.000%	40,682.50	485,682.50	543,090.03
08/01/2018	-	-	38,457.50	38,457.50	-
02/01/2019	475,000.00	1.100%	38,457.50	513,457.50	551,915.00
08/01/2019	-	-	35,845.00	35,845.00	-
02/01/2020	475,000.00	1.150%	35,845.00	510,845.00	546,690.00
08/01/2020	-	-	33,113.75	33,113.75	-
02/01/2021	480,000.00	1.250%	33,113.75	513,113.75	546,227.50
08/01/2021	-	-	30,113.75	30,113.75	-
02/01/2022	490,000.00	1.400%	30,113.75	520,113.75	550,227.50
08/01/2022	-	-	26,683.75	26,683.75	-
02/01/2023	490,000.00	1.500%	26,683.75	516,683.75	543,367.50
08/01/2023	-	-	23,008.75	23,008.75	-
02/01/2024	500,000.00	1.600%	23,008.75	523,008.75	546,017.50
08/01/2024	-	-	19,008.75	19,008.75	-
02/01/2025	510,000.00	1.700%	19,008.75	529,008.75	548,017.50
08/01/2025	-	-	14,673.75	14,673.75	-
02/01/2026	515,000.00	1.750%	14,673.75	529,673.75	544,347.50
08/01/2026	-	-	10,167.50	10,167.50	-
02/01/2027	530,000.00	1.850%	10,167.50	540,167.50	550,335.00
08/01/2027	-	-	5,265.00	5,265.00	-
02/01/2028	540,000.00	1.950%	5,265.00	545,265.00	550,530.00
<b>Total</b>	<b>\$5,450,000.00</b>	<b>-</b>	<b>\$570,765.03</b>	<b>\$6,020,765.03</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$34,705.28
Average Life	6.368 Years
Average Coupon	1.6446059%
Net Interest Cost (NIC)	1.8016425%
True Interest Cost (TIC)	1.8073603%
Bond Yield for Arbitrage Purposes	1.6387438%
All Inclusive Cost (AIC)	1.9925362%

### IRS Form 8038

Net Interest Cost	1.6446059%
Weighted Average Maturity	6.368 Years

# City of Richfield, Minnesota

\$5,450,000 General Obligation Refunding Bonds, Series 2016B

Issue Summary - Current Refundings 2007A & 2007B

Assumes Current Market BQ AA+ Rates plus 25bps

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2017	-	-	-	-
02/01/2018	543,090.03	543,090.03	674,207.50	131,117.47
02/01/2019	551,915.00	551,915.00	676,145.00	124,230.00
02/01/2020	546,690.00	546,690.00	677,232.50	130,542.50
02/01/2021	546,227.50	546,227.50	677,470.00	131,242.50
02/01/2022	550,227.50	550,227.50	676,857.50	126,630.00
02/01/2023	543,367.50	543,367.50	675,395.00	132,027.50
02/01/2024	546,017.50	546,017.50	673,082.50	127,065.00
02/01/2025	548,017.50	548,017.50	674,920.00	126,902.50
02/01/2026	544,347.50	544,347.50	675,410.00	131,062.50
02/01/2027	550,335.00	550,335.00	679,825.00	129,490.00
02/01/2028	550,530.00	550,530.00	677,950.00	127,420.00
<b>Total</b>	<b>\$6,020,765.03</b>	<b>\$6,020,765.03</b>	<b>\$7,438,495.00</b>	<b>\$1,417,729.97</b>

## PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	1,286,797.81
Net PV Cashflow Savings @ 1.639%(Bond Yield).....	1,286,797.81
Total Cash contribution.....	(500,000.00)
Contingency or Rounding Amount.....	1,500.00
Net Present Value Benefit	\$788,297.81
Net PV Benefit / \$6,736,797.81 PV Refunded Debt Service	11.701%
Net PV Benefit / \$5,835,000 Refunded Principal...	13.510%
Net PV Benefit / \$5,450,000 Refunding Principal..	14.464%

## Refunding Bond Information

Refunding Dated Date	11/17/2016
Refunding Delivery Date	11/17/2016

# City of Richfield, Minnesota

## \$5,450,000 General Obligation Refunding Bonds, Series 2016B

Issue Summary - Current Refundings 2007A & 2007B

Assumes Current Market BQ AA+ Rates plus 25bps

### Current Refunding Escrow

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
11/17/2016	-	-	-	-	-
02/01/2017	5,835,000.00	-	5,835,000.00	5,835,000.00	-
<b>Total</b>	<b>\$5,835,000.00</b>	<b>-</b>	<b>\$5,835,000.00</b>	<b>\$5,835,000.00</b>	<b>-</b>

### Investment Parameters

Investment Model [PV, GIC, or Securities]	GIC
Default investment yield target	Unrestricted
Cost of Investments Purchased with Bond Proceeds	5,835,000.00
Total Cost of Investments	\$5,835,000.00
Target Cost of Investments at bond yield	\$5,815,457.52
Yield to Receipt	-1.39E-11
Yield for Arbitrage Purposes	1.6387438%
State and Local Government Series (SLGS) rates for	8/02/2016

# City of Richfield, Minnesota

\$2,615,000 General Obligation Refunding Bonds, Series 2016B

Cur Ref 2007A

Assumes Current Market BQ AA+ Rates plus 25bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/17/2016	-	-	-	-	-
08/01/2017	-	-	27,518.43	27,518.43	-
02/01/2018	215,000.00	1.000%	19,501.25	234,501.25	262,019.68
08/01/2018	-	-	18,426.25	18,426.25	-
02/01/2019	230,000.00	1.100%	18,426.25	248,426.25	266,852.50
08/01/2019	-	-	17,161.25	17,161.25	-
02/01/2020	230,000.00	1.150%	17,161.25	247,161.25	264,322.50
08/01/2020	-	-	15,838.75	15,838.75	-
02/01/2021	230,000.00	1.250%	15,838.75	245,838.75	261,677.50
08/01/2021	-	-	14,401.25	14,401.25	-
02/01/2022	235,000.00	1.400%	14,401.25	249,401.25	263,802.50
08/01/2022	-	-	12,756.25	12,756.25	-
02/01/2023	235,000.00	1.500%	12,756.25	247,756.25	260,512.50
08/01/2023	-	-	10,993.75	10,993.75	-
02/01/2024	240,000.00	1.600%	10,993.75	250,993.75	261,987.50
08/01/2024	-	-	9,073.75	9,073.75	-
02/01/2025	245,000.00	1.700%	9,073.75	254,073.75	263,147.50
08/01/2025	-	-	6,991.25	6,991.25	-
02/01/2026	245,000.00	1.750%	6,991.25	251,991.25	258,982.50
08/01/2026	-	-	4,847.50	4,847.50	-
02/01/2027	250,000.00	1.850%	4,847.50	254,847.50	259,695.00
08/01/2027	-	-	2,535.00	2,535.00	-
02/01/2028	260,000.00	1.950%	2,535.00	262,535.00	265,070.00
<b>Total</b>	<b>\$2,615,000.00</b>	<b>-</b>	<b>\$273,069.68</b>	<b>\$2,888,069.68</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$16,612.53
Average Life	6.353 Years
Average Coupon	1.6437576%
Net Interest Cost (NIC)	1.8011689%
True Interest Cost (TIC)	1.8068734%
Bond Yield for Arbitrage Purposes	1.6387438%
All Inclusive Cost (AIC)	1.9924725%

## IRS Form 8038

Net Interest Cost	1.6437576%
Weighted Average Maturity	6.353 Years



# City of Richfield, Minnesota

\$2,615,000 General Obligation Refunding Bonds, Series 2016B

Cur Ref 2007A

Assumes Current Market BQ AA+ Rates plus 25bps

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2017	-	-	-	-
02/01/2018	262,019.68	262,019.68	355,687.50	93,667.82
02/01/2019	266,852.50	266,852.50	356,125.00	89,272.50
02/01/2020	264,322.50	264,322.50	356,137.50	91,815.00
02/01/2021	261,677.50	261,677.50	355,725.00	94,047.50
02/01/2022	263,802.50	263,802.50	354,887.50	91,085.00
02/01/2023	260,512.50	260,512.50	353,625.00	93,112.50
02/01/2024	261,987.50	261,987.50	351,937.50	89,950.00
02/01/2025	263,147.50	263,147.50	354,825.00	91,677.50
02/01/2026	258,982.50	258,982.50	351,925.00	92,942.50
02/01/2027	259,695.00	259,695.00	353,595.00	93,900.00
02/01/2028	265,070.00	265,070.00	354,620.00	89,550.00
<b>Total</b>	<b>\$2,888,069.68</b>	<b>\$2,888,069.68</b>	<b>\$3,899,090.00</b>	<b>\$1,011,020.32</b>

## PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	917,041.29
Net PV Cashflow Savings @ 1.639%(Bond Yield).....	917,041.29
Total Cash contribution.....	(500,000.00)
Contingency or Rounding Amount.....	540.83
Net Present Value Benefit	\$417,582.12
Net PV Benefit / \$3,531,905.84 PV Refunded Debt Service	11.823%
Net PV Benefit / \$3,060,000 Refunded Principal...	13.646%
Net PV Benefit / \$2,615,000 Refunding Principal..	15.969%

## Refunding Bond Information

Refunding Dated Date	11/17/2016
Refunding Delivery Date	11/17/2016

# City of Richfield, Minnesota

\$2,615,000 General Obligation Refunding Bonds, Series 2016B

Cur Ref 2007A

Assumes Current Market BQ AA+ Rates plus 25bps

## Current Refunding Escrow

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
11/17/2016	-	-	-	-	-
02/01/2017	3,060,000.00	-	3,060,000.00	3,060,000.00	-
<b>Total</b>	<b>\$3,060,000.00</b>	<b>-</b>	<b>\$3,060,000.00</b>	<b>\$3,060,000.00</b>	<b>-</b>

## Investment Parameters

Investment Model [PV, GIC, or Securities]	GIC
Default investment yield target	Unrestricted
Cost of Investments Purchased with Bond Proceeds	3,060,000.00
Total Cost of Investments	\$3,060,000.00
Target Cost of Investments at bond yield	\$3,049,751.50
Yield to Receipt	-1.39E-11
Yield for Arbitrage Purposes	1.6387438%

# City of Richfield, Minnesota

\$2,835,000 General Obligation Refunding Bonds, Series 2016B

Cur Ref 2007B

Assumes Current Market BQ AA+ Rates plus 25bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/17/2016	-	-	-	-	-
08/01/2017	-	-	29,889.10	29,889.10	-
02/01/2018	230,000.00	1.000%	21,181.25	251,181.25	281,070.35
08/01/2018	-	-	20,031.25	20,031.25	-
02/01/2019	245,000.00	1.100%	20,031.25	265,031.25	285,062.50
08/01/2019	-	-	18,683.75	18,683.75	-
02/01/2020	245,000.00	1.150%	18,683.75	263,683.75	282,367.50
08/01/2020	-	-	17,275.00	17,275.00	-
02/01/2021	250,000.00	1.250%	17,275.00	267,275.00	284,550.00
08/01/2021	-	-	15,712.50	15,712.50	-
02/01/2022	255,000.00	1.400%	15,712.50	270,712.50	286,425.00
08/01/2022	-	-	13,927.50	13,927.50	-
02/01/2023	255,000.00	1.500%	13,927.50	268,927.50	282,855.00
08/01/2023	-	-	12,015.00	12,015.00	-
02/01/2024	260,000.00	1.600%	12,015.00	272,015.00	284,030.00
08/01/2024	-	-	9,935.00	9,935.00	-
02/01/2025	265,000.00	1.700%	9,935.00	274,935.00	284,870.00
08/01/2025	-	-	7,682.50	7,682.50	-
02/01/2026	270,000.00	1.750%	7,682.50	277,682.50	285,365.00
08/01/2026	-	-	5,320.00	5,320.00	-
02/01/2027	280,000.00	1.850%	5,320.00	285,320.00	290,640.00
08/01/2027	-	-	2,730.00	2,730.00	-
02/01/2028	280,000.00	1.950%	2,730.00	282,730.00	285,460.00
<b>Total</b>	<b>\$2,835,000.00</b>	<b>-</b>	<b>\$297,695.35</b>	<b>\$3,132,695.35</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$18,092.75
Average Life	6.382 Years
Average Coupon	1.6453848%
Net Interest Cost (NIC)	1.8020774%
True Interest Cost (TIC)	1.8078074%
Bond Yield for Arbitrage Purposes	1.6387438%
All Inclusive Cost (AIC)	1.9925946%

## IRS Form 8038

Net Interest Cost	1.6453848%
Weighted Average Maturity	6.382 Years

# City of Richfield, Minnesota

\$2,835,000 General Obligation Refunding Bonds, Series 2016B

Cur Ref 2007B

Assumes Current Market BQ AA+ Rates plus 25bps

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2017	-	-	-	-
02/01/2018	281,070.35	281,070.35	318,520.00	37,449.65
02/01/2019	285,062.50	285,062.50	320,020.00	34,957.50
02/01/2020	282,367.50	282,367.50	321,095.00	38,727.50
02/01/2021	284,550.00	284,550.00	321,745.00	37,195.00
02/01/2022	286,425.00	286,425.00	321,970.00	35,545.00
02/01/2023	282,855.00	282,855.00	321,770.00	38,915.00
02/01/2024	284,030.00	284,030.00	321,145.00	37,115.00
02/01/2025	284,870.00	284,870.00	320,095.00	35,225.00
02/01/2026	285,365.00	285,365.00	323,485.00	38,120.00
02/01/2027	290,640.00	290,640.00	326,230.00	35,590.00
02/01/2028	285,460.00	285,460.00	323,330.00	37,870.00
<b>Total</b>	<b>\$3,132,695.35</b>	<b>\$3,132,695.35</b>	<b>\$3,539,405.00</b>	<b>\$406,709.65</b>

## PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	369,756.51
Net PV Cashflow Savings @ 1.639%(Bond Yield).....	369,756.51
Contingency or Rounding Amount.....	959.17
Net Present Value Benefit	\$370,715.68
Net PV Benefit / \$3,204,891.97 PV Refunded Debt Service	11.567%
Net PV Benefit / \$2,775,000 Refunded Principal...	13.359%
Net PV Benefit / \$2,835,000 Refunding Principal..	13.076%

## Refunding Bond Information

Refunding Dated Date	11/17/2016
Refunding Delivery Date	11/17/2016

# City of Richfield, Minnesota

\$2,835,000 General Obligation Refunding Bonds, Series 2016B

Cur Ref 2007B

Assumes Current Market BQ AA+ Rates plus 25bps

## Current Refunding Escrow

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
11/17/2016	-	-	-	-	-
02/01/2017	2,775,000.00	-	2,775,000.00	2,775,000.00	-
<b>Total</b>	<b>\$2,775,000.00</b>	<b>-</b>	<b>\$2,775,000.00</b>	<b>\$2,775,000.00</b>	<b>-</b>

## Investment Parameters

Investment Model [PV, GIC, or Securities]	GIC
Default investment yield target	Unrestricted
Cost of Investments Purchased with Bond Proceeds	2,775,000.00
Total Cost of Investments	\$2,775,000.00
Target Cost of Investments at bond yield	\$2,765,706.02
Yield to Receipt	-1.40E-11
Yield for Arbitrage Purposes	1.6387438%

Resolution No. \_\_\_\_\_

Council Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**Resolution Providing for the Sale of  
\$5,450,000 General Obligation Refunding Bonds, Series 2016B**

- A. WHEREAS, the City Council of the City of Richfield, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$5,450,000 General Obligation Refunding Bonds, Series 2016B (the "Bonds"), to finance the current refunding of the City's General Obligation Bonds Series 2007A and 2007B in the City; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richfield, Minnesota, as follows:

1. Authorization; Findings. The City Council hereby authorizes Ehlers to assist the [Jurisdiction Type] for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 7:00 PM on October 25, 2016, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by City Council Member \_\_\_\_\_ and, after full discussion thereof and upon a vote being taken thereon, the following City Council Members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 13<sup>th</sup> day of September, 2016.

\_\_\_\_\_  
City Clerk



**STAFF REPORT NO. 143**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Chris Regis, Finance Manager

DEPARTMENT DIRECTOR REVIEW: Steven Devich  
9/7/2016

OTHER DEPARTMENT REVIEW: N/A.

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of a resolution authorizing the refunding of the \$9,480,000 G.O. Capital Improvement Plan Bonds, Series 2008A, dated December 23, 2008 with the \$6,305,000 G.O. Refunding Bonds, Series 2016C.**

**EXECUTIVE SUMMARY:**

As part of the construction and financing of the Richfield Municipal Center, the City issued the \$9,480,000 G.O. Capital Improvement Plan Bonds, Series 2008A.

As interest rates continue to be at low levels, the City's Municipal Advisor, Ehlers & Associates, Inc. is recommending a bond refunding of the Series 2008A bonds to take advantage of the low interest rates and realize interest savings. For this refunding, the savings is estimated to be \$816,717.

The type of refunding being presented is an Advance Crossover refunding. In an Advance Crossover refunding, bonds are issued in advance of a specified call date. The proceeds of the refunding issue are invested in government securities and held in escrow. The money in the escrow is used to pay interest on the new issue until the call date. At the call date, the remaining funds in the escrow are then used to redeem/call the old bonds. At this time, the City "crosses over" and begins to make the payments on the new, refunding bonds.

Accordingly, the Series 2016B bonds are being issued to provide funds sufficient for an advance crossover refunding on February 1, 2019. The par amount of the Series 2008A to be called on the call date is \$6,065,000.

Finally, in order for the City to remain in the Bank Qualified limits of issuing debt in the current year, and the fact that the City is looking to issue two separate refunding issues, the Series 2016B as a current refunding and the Series 2016C as an advance crossover refunding, the City must have two separate sale dates that are at least fifteen (15) days apart.

In order to meet the requirements to maintain Bank Qualified status, staff is requesting the City Council to approve the attached resolution that establishes a Pricing Committee with respect to the 2016C bonds that will comprise the Mayor, City Manager, and Finance Manager.

With City Council approval, the Pricing Committee would be authorized and directed, with the advice of the City's Municipal Advisor, to review proposals for the sale of the Bonds based on the following parameters:

- (i) the principal amount of the Bonds shall not exceed \$6,305,000;
- (ii) the true interest cost of the Bonds shall not exceed 1.900000%;
- (iii) the present value of such debt service or interest cost savings (the "Reduction") shall be at least nine percent (9%) of the debt service on the Refunded Bonds.

If the proposals received are within the established parameters, the Pricing Committee is authorized and directed to select the best proposal and award the sale to the respective bidder.

The proposed date for the Pricing Committee to award the sale of the Series 2016C bonds is November 15, 2016. This date meets the requirement of being at least fifteen (15) days from the sale of the Series 2016B bonds.

At the November 22, 2016 City Council meeting, a presentation will be made by staff and the City's Municipal Advisor Ehlers and Associates of the sale results.

### **RECOMMENDED ACTION:**

**By Motion: Approve the resolution providing for the sale of General Obligation Refunding Bonds, Series 2016C; establishing a pricing committee; fixing their form and specifications; directing their execution and delivery; providing for their payment; providing for the escrowing and investment of the proceeds thereof; and providing for the redemption of bonds refunded thereby.**

### **BASIS OF RECOMMENDATION:**

#### **A. HISTORICAL CONTEXT**

N/A.

#### **B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

N/A.

#### **C. CRITICAL TIMING ISSUES:**

- The sale of the refunding bonds at this time will allow the City to take advantage of the low interest rates and realize interest savings.

#### **D. FINANCIAL IMPACT:**

- On the basis of Ehlers & Associates, Inc. review, it appears that the current interest rate climate makes it feasible to refund the Series 2008A bonds.
- The current outstanding principal balance of the Series 2008A bonds is \$7,395,000. The City will continue to make principal and interest payments up to and on the crossover date.
- The \$6,305,000 G.O. Refunding Bonds, Series 2016C are being issued to provide funds for an advance crossover refunding of the City's G.O. Capital Improvement Plan Bonds, Series 2008A on February 1, 2019. The par amount of the Series 2008A bonds at that date will total \$6,065,000.
- It is estimated that this refunding under current rates would reduce the debt service costs of paying this debt by an estimated \$816,717.
- The savings expressed in present value terms is approximately 11.889% of the refunded principal or \$721,082.
- The bonds are being issued for a 13-year period; this does not extend the term of the original issue. The maturity date of the new refunding issue will be the same as the two current outstanding issues.

#### **E. LEGAL CONSIDERATION:**

- Legal Counsel has reviewed the Pre-Sale report and the resolution.

### **ALTERNATIVE RECOMMENDATION(S):**

- Disregard the current refunding option, continue to retire the bonded debt as presently scheduled, and



forego the projected savings.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

Rebecca Kurtz, Ehlers & Associates, Inc.

**ATTACHMENTS:**

	Description	Type
▢	Resolution \$6,305,000 G.O. Refunding Bonds, Series 2016C	Resolution Letter
▢	Presale Report \$6,305,000 G.O. Refunding Bonds, Series 2016C	Backup Material

Extract of Minutes of Meeting  
of the City Council of the City of  
Richfield, Hennepin County, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Richfield, Minnesota, was duly held in the City Hall in said City on Tuesday, September 13, 2016, commencing at 7:00 P.M.

The following members were present:

and the following were absent:

\* \* \*

\* \* \*

\* \* \*

The Mayor announced that the next order of business was consideration of the sale of the City's General Obligation Refunding Bonds, Series 2016C.

Member \_\_\_\_\_ then introduced the following written resolution, the reading of which was dispensed with by unanimous consent, and moved its adoption:

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION PROVIDING FOR THE SALE OF GENERAL  
OBLIGATION REFUNDING BONDS, SERIES 2016C;  
ESTABLISHING A PRICING COMMITTEE; FIXING THEIR  
FORM AND SPECIFICATIONS; DIRECTING THEIR  
EXECUTION AND DELIVERY; PROVIDING FOR THEIR  
PAYMENT; PROVIDING FOR THE ESCROWING AND  
INVESTMENT OF THE PROCEEDS THEREOF; AND  
PROVIDING FOR THE REDEMPTION OF BONDS REFUNDED  
THEREBY**

BE IT RESOLVED By the City Council of the City of Richfield, Hennepin County, Minnesota (the “City”) as follows:

Section 1.      Sale of Bonds.

1.01.   Background; Authorization.

(a)      The City issued its General Obligation Capital Improvement Plan Bonds, Series 2008A (the “Refunded Bonds”), in the original aggregate principal amount of \$9,480,000, currently outstanding in the principal amount of \$7,395,000, of which \$6,065,000 is subject to optional redemption on or after February 1, 2019. The Refunded Bonds were issued pursuant to Minnesota Statutes, Chapter 475, as amended (the “Act”), including Section 475.521, to finance the construction of a new Police/Fire/City Hall facility in the City (the “Project”).

(b)      The City is authorized by Section 475.67, subdivision 13 of the Act to issue and sell its general obligation bonds to refund outstanding bonds when determined by the City Council to be necessary and desirable.

(c)      The City finds it necessary and desirable for the reduction of debt service costs to issue its General Obligation Bonds, Series 2016A (the “Bonds”), in the maximum principal amount of \$6,305,000, to achieve the crossover refunding of the Refunded Bonds by refunding in advance of maturity on February 1, 2019 (the “Redemption Date”) the 2020 through 2029 maturities of the Refunded Bonds.

(d)      The City has retained Ehlers & Associates, Inc., in Roseville, Minnesota (the “Municipal Advisor”), as its independent municipal advisor, and hereby authorizes the Municipal Advisor to assist the City in the sale of the Bonds. In connection with the sale of the Bonds, the officers or employees of the City are hereby authorized to cooperate with the Municipal Advisor and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

(e)      The City is authorized by Minnesota Statutes, Section 475.60, subdivision 2(9) to negotiate the sale of the Bonds, it being determined that the City has retained the Municipal Advisor as an independent financial advisor in connection with such sale. The actions of the City staff and the Municipal Advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

1.02.   Pricing Committee. The City hereby establishes a pricing committee with respect to the Bonds comprising the City’s Finance Manager, the City Manager, and Mayor Debbie Goettel (the

“Pricing Committee”). The Pricing Committee is authorized and directed, with the advice of the Municipal Advisor, to review proposals for the sale of the Bonds based on the following parameters: (i) the principal amount of the Bonds shall not exceed \$6,305,000; (ii) the true interest cost of the Bonds shall not exceed 1.900000%; and (iii) the present value of such debt service or interest cost savings (the “Reduction”) shall be at least nine percent (9%) of the debt service on the Refunded Bonds. The City hereby approves the sale of the Bonds to the purchaser selected by the Pricing Committee (the “Purchaser”) at the price, principal amount, and rates to be determined by the Pricing Committee.

1.03. Pricing Committee Certificate. The Pricing Committee shall meet to award the sale of the Bonds to the Purchaser. Upon awarding the sale of the Bonds, the Pricing Committee shall complete and sign a certificate (the “Pricing Committee Certificate”) in substantially the form set forth in EXHIBIT A attached hereto and attach the final levy to such certificate. The City Clerk is authorized and directed to attach the Pricing Committee Certificate, when complete, to this resolution.

1.04. Purchase Contract. The Mayor and the City Manager, or their designees, are hereby authorized and directed to execute a contract with the Purchaser on behalf of the City.

1.05. Terms and Principal Amounts of the Bonds. The City will forthwith issue and sell the Bonds pursuant to the Act, originally dated as of delivery, in the denomination of \$5,000 each or any integral multiple thereof, and numbered No. R-1 upward, bearing interest as determined by the Pricing Committee and maturing in the years and amounts as determined by the Pricing Committee.

1.06. Optional Redemption. The Pricing Committee will determine whether the Bonds will be subject to optional redemption prior to maturity. If the Bonds are subject to optional redemption, the following provisions shall apply: Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 8 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

1.07. Mandatory Redemption; Term Bonds. The Bonds may be subject to mandatory sinking fund redemption if so requested by the Purchaser and approved by the Pricing Committee.

## Section 2. Registration and Payment.

2.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds shall be payable as determined by the Pricing Committee to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

2.03. Registration. The City will appoint a bond registrar, transfer agent, authenticating agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner’s attorney in writing.

(d) Cancellation. Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner’s order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to

the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. If the Pricing Committee authorizes the Bonds to be subject to optional redemption prior to maturity, the following provisions shall apply: In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar. The City appoints Bond Trust Services Corporation, Roseville, Minnesota, or another financial institution as selected by the Pricing Committee, as the initial Registrar. The Mayor and the City Manager are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the Finance Manager must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the Finance Manager and executed on behalf of the City by the signatures of the Mayor and the City Manager, provided that those signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of a Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so prepared, executed and authenticated, the City Manager will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

2.06. Temporary Bonds. The City may elect to deliver in lieu of printed definitive Bonds one or more typewritten temporary Bonds in substantially the form set forth in EXHIBIT B attached hereto with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Bonds the temporary Bonds will be exchanged therefor and cancelled.

Section 3.        Form of Bond.

3.01.    Execution of the Bonds. The Bonds will be printed or typewritten in substantially the form set forth in EXHIBIT B.

3.02.    Approving Legal Opinion. The City Clerk is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, which is to be complete except as to dating thereof and cause the opinion to be printed on or accompany each Bond.

Section 4.        Payment; Security; Pledges and Covenants.

4.01.    Debt Service Fund. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds, and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the General Obligation Refunding Bonds, Series 2016C Debt Service Fund (the “Debt Service Fund”) to be administered and maintained by the Finance Manager as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Debt Service Fund will be maintained in the manner herein specified until all of the Refunded Bonds have been paid and until all of the Bonds and the interest thereon have been fully paid. To the Debt Service Fund, there is hereby pledged and irrevocably appropriated and there will be credited: (i) ad valorem taxes hereinafter levied for the payment of the Bonds and interest thereon (the “Taxes”); (ii) any balance remitted to the City upon the termination of the Escrow Agreement (as defined herein); (iii) all investment earnings on funds in the Debt Service Fund; and (iv) all other moneys which are properly available and are appropriated by the City Council to the Debt Service Fund.

4.02.    Escrow Fund. A portion of the proceeds of the Bonds will be deposited in a separate fund (the “Escrow Fund”) maintained by U.S. Bank National Association, in Saint Paul, Minnesota, acting as escrow agent (the “Escrow Agent”). Such funds will be received by the Escrow Agent and applied to fund the Escrow Fund or to pay costs of issuing the Bonds. Proceeds of the Bonds not used to pay costs of issuance on the Bonds are hereby irrevocably pledged and appropriated to the Escrow Fund, together with all investment earnings thereon. The Escrow Fund will be invested in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as will be required to provide sufficient funds, together with any cash or other funds retained in the Escrow Fund, to (i) pay when due the interest to accrue on the Bonds to and including the Redemption Date; and (ii) pay on the Redemption Date the principal amount of the Refunded Bonds then outstanding. Other than moneys in the Escrow Fund used to pay costs of issuance of the Bonds, the Escrow Fund will be irrevocably appropriated to the payment of the principal of and interest on the Refunded Bonds until the proceeds of the Bonds therein are applied to prepayment of the Refunded Bonds. The moneys in the Escrow Fund will be used solely for the purposes herein set forth and for no other purpose, except that any surplus in the Escrow Fund may be remitted to the City, all in accordance with the Escrow Agreement by and between the City and the Escrow Agent. Any moneys remitted to the City upon termination of the Escrow Agreement will be deposited to the Debt Service Fund.

4.03.    Prior Debt Service Fund. The debt service fund heretofore established for the Refunded Bonds pursuant to the resolution authorizing the issuance and sale of the Refunded Bonds (the “Prior Resolution”) shall be terminated on the Redemption Date and all monies therein are hereby transferred to the Debt Service Fund herein created.

4.04. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City will be and are hereby irrevocably pledged. If the balance in the Escrow Fund or Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of monies in the general fund of the City which are available for such purpose, and such general fund may be reimbursed with or without interest from the Escrow Fund or Debt Service Fund when a sufficient balance is available therein.

4.05. Pledge of Tax Levies.

(a) To provide moneys for payment of the principal of and interest on the Bonds maturing after the Redemption Date, there is hereby levied a direct annual irrevocable ad valorem tax upon all of the taxable property in the City which will be spread upon the tax rolls and collected with and as part of other general taxes of the City. The ad valorem taxes will be credited to the Debt Service Fund above provided and will be in the years and in the amounts as determined by the Pricing Committee.

(b) The tax levies are such that if collected in full they, together with estimated collections of investment earnings (and until the Redemption Date, of all amounts in the Escrow Fund), and other revenues herein pledged for the payment of the Bonds, will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies will be irrevocable so long as any of the Bonds are outstanding and unpaid, provided that the City reserves the right to reduce the levies in the manner and to the extent permitted by Section 475.61, subdivision 3 of the Act.

4.06. Cancellation of Prior Levy after Redemption Date. Following the payment in full of all outstanding principal of and interest on the Refunded Bonds on the Redemption Date, the Finance Manager is hereby directed to certify such fact to and request the Taxpayer Services Division Manager of Hennepin County, Minnesota (the "Taxpayer Services Division Manager") to cancel any and all tax levies made for the Refunded Bonds pursuant to the Prior Resolution.

4.07. Filing of Resolution. The City Clerk is authorized and directed to file a certified copy of this resolution, together with the executed Pricing Committee Certificate, with the Taxpayer Services Division Manager and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Refunding; Findings; Redemption of Refunded Bonds.

5.01. Purpose of Refunding. The 2020 through 2029 maturities of the Refunded Bonds will be called for redemption on the Redemption Date in the amount of \$6,065,000. It is hereby found and determined that based upon information presently available from the Municipal Advisor, the issuance of the Bonds, a portion of which will be used to redeem and prepay the Refunded Bonds, is consistent with covenants made with the holders of the Refunded Bonds.

5.02. Findings. It is hereby found and determined that based upon information presently available from the Municipal Advisor and as required by Section 1.02 hereof, the issuance of the Bonds will result in a reduction of debt service cost to the City on the Refunded Bonds, such that the Reduction is at least three percent (3%) of the debt service on the Refunded Bonds, as required by the Act. The Reduction, after the inclusion of all authorized expenses of refunding in the computation of the effective interest rate on the Bonds, is adequate to authorize the issuance of the Bonds as provided by Section 475.67, subdivisions 12 and 13 of the Act.



5.03. Proceeds Pledged to the Escrow Fund. As of the date of delivery of and payment for the Bonds, proceeds of the Bonds are hereby pledged and appropriated and will be deposited in the Escrow Fund in amounts necessary to pay interest on the Bonds to and including the Redemption Date and to redeem on the Redemption Date the principal amount of the Refunded Bonds then outstanding. Proceeds of the Bonds will also be deposited in the Escrow Fund to pay the costs of issuance of the Bonds.

5.04. Securities to Fund Escrow Fund. Securities purchased, if any, from the moneys in the Escrow Fund will be limited to securities specified in Section 475.67, subdivision 8 of the Act. The Municipal Advisor and/or U.S. Bank National Association, as agent for the City, is hereby authorized and directed to purchase for and on behalf of the City and in its name, appropriate securities to fund the Escrow Fund. Upon the issuance and delivery of the Bonds, the securities so purchased will be deposited with the Escrow Agent and held pursuant to the terms of the Escrow Agreement and this resolution.

5.05. Notice of Call for Redemption. So long as the Pricing Committee has executed the Pricing Committee Certificate, the Refunded Bonds maturing on February 1, 2020 and thereafter will be redeemed and prepaid on the Redemption Date in accordance with their terms and in accordance with the terms and conditions set forth in the form of Notice of Call for Redemption attached hereto as EXHIBIT C, which terms and conditions are hereby approved and incorporated herein by reference. The registrar for the Refunded Bonds is authorized and directed to send a copy of the Notice of Call for Redemption to each registered holder of the Refunded Bonds.

5.06. Escrow Agreement. On or prior to the delivery of the Bonds, the Mayor and the City Manager are hereby authorized and directed to execute on behalf of the City an escrow agreement (the "Escrow Agreement") with the Escrow Agent in substantially the form now on file with the City Manager. All essential terms and conditions of the Escrow Agreement including payment by the City of reasonable charges for the services of the Escrow Agent, are hereby approved and adopted and made a part of this resolution, and the City covenants that it will promptly enforce all provisions thereof in the event of default thereunder by the Escrow Agent.

## Section 6. Authentication of Transcript.

6.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the City as to the facts stated therein.

6.02. Certification as to Official Statement. The Mayor, City Manager, and Finance Manager are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

6.03. Other Certificates. The Mayor, City Manager, and Finance Manager are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor, the City Manager, and the Finance Manager shall also execute and deliver to the Purchaser a suitable certificate as to absence of

material litigation, and the Finance Manager shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

6.04. Payment of Costs of Issuance. Costs of issuance of the Bonds will be paid by the Escrow Agent pursuant to the Escrow Agreement.

## Section 7. Tax Covenant.

7.01. Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds.

7.02. Rebate. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States.

7.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

7.04. Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

- (a) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (b) the City designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2016 will not exceed \$10,000,000; and
- (d) not more than \$10,000,000 of obligations issued by the City during calendar year 2016 have been designated for purposes of Section 265(b)(3) of the Code.

7.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

## Section 8. Book-Entry System; Limited Obligation of City.

8.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities as determined by the Pricing Committee. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the

name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

8.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City’s obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Manager of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words “Cede & Co.” will refer to such new nominee of DTC; and upon receipt of such a notice, the City Manager will promptly deliver a copy of the same to the Registrar and Paying Agent.

8.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the “Representation Letter”) which will govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

8.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

8.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and all notices with respect to the Bond will be made and given, respectively in the manner provided in DTC’s Operational Arrangements, as set forth in the Representation Letter.

Section 9.        Continuing Disclosure.

9.01.    Execution of Continuing Disclosure Certificate.    “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the Mayor and City Manager and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

9.02.    City Compliance with Provisions of Continuing Disclosure Certificate.    The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this resolution, failure of the City to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

Section 10.    Defeasance.    When all Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

Section 11.    Effective Date.    This resolution shall be in full force and effect following its adoption; provided, however, that if the Pricing Committee has not executed the Pricing Committee Certificate within one year of the date hereof, this resolution shall expire.

The motion for the adoption of the foregoing resolution was duly seconded by Member \_\_\_\_\_, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Passed and adopted this 13<sup>th</sup> day of September, 2016.

---

Debbie Goettel, Mayor

Attest:

---

Elizabeth VanHoose, City Clerk

## EXHIBIT A

### FORM OF PRICING COMMITTEE CERTIFICATE

\$ \_\_\_\_\_  
City of Richfield, Minnesota  
General Obligation Refunding Bonds  
Series 2016C

#### PRICING COMMITTEE CERTIFICATE

\_\_\_\_\_, 2016

On behalf of the City of Richfield, Minnesota (the "City"), the undersigned hereby certify in connection with the issuance and sale of the General Obligation Refunding Bonds, Series 2016C (the "Bonds"), in the original aggregate principal amount of \$ \_\_\_\_\_, as follows:

1. Authorization. Pursuant to a resolution adopted by the City Council of the City on September 13, 2016 (the "Resolution"), a pricing committee was established by the City comprised of the City's Finance Manager, the City Manager, and Mayor Debbie Goettel (the "Pricing Committee"). The Pricing Committee was authorized to act as the authorized representatives of the City with respect to the sale of the Bonds and to make such determinations, approvals, authorizations, consents, and take such other actions on behalf of the City as provided in the Resolution, with the advice of Ehlers & Associates, Inc., the municipal advisor to the City. Such authorization has not been revoked, withdrawn, or otherwise modified.

2. Duties. The Pricing Committee is to participate in the pricing of the Bonds and approve the terms of the Bonds. The Bonds are to be awarded by the Pricing Committee on behalf of the City, based on the conformity of the proposals with the parameters and terms set forth in Section 1.02 of the Resolution.

3. Award and Terms. In accordance with applicable terms of the Resolution, the Pricing Committee has approved the sale of the Bonds to \_\_\_\_\_ (the "Purchaser"), at a purchase price of \$ \_\_\_\_\_ (par amount of \$ \_\_\_\_\_, [plus original issue premium of \$ \_\_\_\_\_,] [less original issue discount of \$ \_\_\_\_\_,] less an underwriter's discount of \$ \_\_\_\_\_), and has agreed with the Purchaser to the following terms of the Bonds:

(a) The original aggregate principal amount of the Bonds is \$ \_\_\_\_\_, which is equal to or less than the maximum of \$6,305,000.

(b) Interest on the Bonds shall be payable semiannually on \_\_\_\_\_ 1 and \_\_\_\_\_ 1, commencing \_\_\_\_\_ 1, 20\_\_\_\_, at the interest rates set forth in SCHEDULE A attached hereto.

(c) The Bonds shall mature on \_\_\_\_\_ 1, 20\_\_\_\_, and shall be payable on the dates and in the amounts set forth in SCHEDULE A attached hereto.

(d) The true interest cost of the Bonds is \_\_\_\_\_%, which is equal to or less than 1.900000%.

(e) The present value of such debt service or interest cost savings is \_\_\_\_\_%, which is at least nine percent (9%) of the debt service on the Refunded Bonds.

(f) As authorized by the Resolution, an ad valorem tax is levied on all taxable property in the City and shall be payable in the years and amounts set forth in SCHEDULE B attached hereto.

(g) [The City may elect on \_\_\_\_\_ 1, 20\_\_\_\_, and on any day thereafter to prepay Bonds due on or after \_\_\_\_\_ 1, 20\_\_\_\_. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company (“DTC”) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.] [The Bonds are not subject to optional redemption prior to maturity.]

[(h) The Bonds maturing on \_\_\_\_\_ 1, 20\_\_\_\_ shall hereinafter be referred to collectively as the “Term Bonds.” The principal amounts of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the City shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on \_\_\_\_\_ 1 of the following years and in the principal amounts as follows:

Sinking Fund Installment Date

Principal Amount

\_\_\_\_\_ 1, 20\_\_\_\_ Term Bonds

\_\_\_\_\_  
\* *Maturity*]

4. Capitalized terms used herein that are otherwise not defined shall have the meanings assigned to such terms in the Resolution.



IN WITNESS WHEREOF, the undersigned members of the Pricing Committee have executed this Pricing Committee Certificate dated as of the date and year first written above.

**PRICING COMMITTEE**

---

Debbie Goettel  
Mayor

---

Steven L. Devich  
City Manager

---

Chris Regis  
Finance Manager

(Signature Page to Pricing Committee Certificate)

**SCHEDULE A**  
**PRICING SCHEDULE**

**SCHEDULE B**  
**TAX LEVY SCHEDULE**

<u>YEAR *</u>	<u>TAX LEVY</u>
---------------	-----------------

*\* Year tax levy collected.*

**EXHIBIT B**  
**FORM OF BOND**

No. R-\_\_\_\_\_ UNITED STATES OF AMERICA \$\_\_\_\_\_  
STATE OF MINNESOTA  
COUNTY OF HENNEPIN  
CITY OF RICHFIELD

GENERAL OBLIGATION REFUNDING BOND  
SERIES 2016C

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	_____, 1, 20__	_____, 2016	

Registered Owner: [Cede & Co.]

The City of Richfield, Minnesota, a duly organized and existing municipal corporation in Hennepin County, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum of \$\_\_\_\_\_ on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above, payable \_\_\_\_\_ 1 and \_\_\_\_\_ 1 in each year, commencing \_\_\_\_\_ 1, 20\_\_, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by [Bond Trust Services Corporation, Roseville, Minnesota], as Bond Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

[The City may elect on \_\_\_\_\_ 1, 20\_\_, and on any day thereafter to prepay Bonds due on or after \_\_\_\_\_ 1, 20\_\_. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.] [The Bonds are not subject to optional redemption prior to maturity.]

This Bond is one of an issue in the aggregate principal amount of \$\_\_\_\_\_ all of like original issue date and tenor, except as to number, maturity date, [redemption privilege,] and interest rate, all issued pursuant to a resolution adopted by the City Council on September 13, 2016 (the "Resolution"), for the purpose of providing money to refund in advance of maturity and on their redemption date certain outstanding obligations of the City, pursuant to and in full conformity with the home rule charter of the City and the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 475, as amended, including Sections 475.521 and 475.67, subdivision 13. A portion of the interest hereon will

be payable from an escrow fund established in the name of the City. The principal hereof and remaining interest hereon are payable from ad valorem taxes, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency in taxes pledged, which taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

The City Council has designated the issue of Bonds of which this Bond forms a part as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) relating to disallowance of interest expense for financial institutions and within the \$10 million limit allowed by the Code for the calendar year of issue.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Bond Registrar, by the registered owner hereof in person or by the owner’s attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner’s attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Bond Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the charter of the City and the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional, charter, or statutory limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Richfield, Hennepin County, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Manager and has caused this Bond to be dated as of the date set forth below.

Dated: \_\_\_\_\_, 2016

**CITY OF RICHFIELD, MINNESOTA**

\_\_\_\_\_  
(Facsimile)  
Mayor

\_\_\_\_\_  
(Facsimile)  
City Manager

---

**CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

**[BOND TRUST SERVICES  
CORPORATION]**

By \_\_\_\_\_  
Authorized Representative

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**ABBREVIATIONS**

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

UNIF GIFT MIN ACT

\_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

TEN ENT -- as tenants by entireties

under Uniform Gifts or Transfers to Minors  
Act, State of \_\_\_\_\_

JT TEN -- as joint tenants with right of  
survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

---

**ASSIGNMENT**

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Include information for all joint owners if this Bond is  
held by joint account.)

Please insert social security or other identifying  
number of assignee

\_\_\_\_\_

\_\_\_\_\_

#### **PROVISIONS AS TO REGISTRATION**

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

Date of Registration

Registered Owner

Signature of  
Officer of Registrar

[Cede & Co.]  
Federal ID #[13-2555119]

\_\_\_\_\_

\_\_\_\_\_

## EXHIBIT C

### NOTICE OF CALL FOR REDEMPTION

\$9,480,000  
CITY OF RICHFIELD, MINNESOTA  
GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS  
SERIES 2008A

NOTICE IS HEREBY GIVEN that, by order of the City Council of the City of Richfield, Hennepin County, Minnesota (the "City"), there have been called for redemption and prepayment on

February 1, 2019

all outstanding bonds designated as General Obligation Capital Improvement Plan Bonds, Series 2008A, dated December 23, 2008, issued by the City of Richfield, Minnesota, having stated maturity dates of February 1 in the years 2020 through 2029, both inclusive, totaling \$6,065,000 in principal amount, and with the following CUSIP numbers:

<u>Year of Maturity</u>	<u>Amount</u>	<u>CUSIP</u>
2020	\$ 485,000	763325 2E6
2021	505,000	763325 2F3
2022	530,000	763325 2G1
2023	555,000	763325 2H9
2024	585,000	763325 2J5
2025	615,000	763325 2K2
2027	1,325,000	763325 2M8
2028	715,000	763325 2N6
2029	750,000	763325 2P1

The bonds are being called at a price of par plus accrued interest to February 1, 2019, on which date all interest on said bonds will cease to accrue. Holders of the bonds hereby called for redemption are requested to present their bonds for payment at the main office of Wells Fargo Bank, National Association, Minneapolis, Minnesota, at the following address, on or before February 1, 2019:

Registered/Certified Mail:

**Wells Fargo Bank, N.A.**  
Corporate Trust Operations  
P.O. Box 1517  
Minneapolis, MN 55480-1517

Air Courier:

**Wells Fargo Bank, N.A.**  
Corporate Trust Services  
600 South Fourth Street  
MAC N9300-060  
Minneapolis, MN 55479

In Person:

**Wells Fargo Bank, N.A.**  
Northstar East Building  
608 2nd Ave. So., 12<sup>th</sup> Fl.  
Minneapolis, MN

Important Notice: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2009, the paying agent is required to withhold a specified percentage of the principal amount of the redemption price payable to the holder of any bonds subject to redemption and prepayment on the redemption date, unless the paying agent is provided with the Social Security Number or Federal



Employer Identification Number of the holder, properly certified. Submission of a fully executed Request for Taxpayer Identification Number and Certification, Form W-9 (Rev. December 2011), will satisfy the requirements of this paragraph.

Dated: \_\_\_\_\_.

BY ORDER OF THE CITY COUNCIL OF THE  
CITY OF RICHFIELD, MINNESOTA

By /s/ Steven L. Devich  
City Manager  
City of Richfield, Minnesota

STATE OF MINNESOTA     )  
  )  
COUNTY OF HENNEPIN     ) SS.  
  )  
CITY OF RICHFIELD         )

I, being the duly qualified and acting City Clerk of the City of Richfield, Hennepin County, Minnesota (the “City”), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on September 13, 2016 with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance and sale of the City’s General Obligation Refunding Bonds, Series 2016C.

WITNESS My hand officially as such City Clerk and the corporate seal of the City this \_\_\_\_ day of \_\_\_\_\_, 2016.

(SEAL)

---

City Clerk  
City of Richfield, Minnesota



**EHLERS**  
LEADERS IN PUBLIC FINANCE

September 13, 2016

## Pre-Sale Report for

City of Richfield, Minnesota

\$6,305,000 General Obligation Refunding Bonds,  
Series 2016C



**Prepared by:**

Rebecca Kurtz, CIPMA  
Senior Municipal Advisor

And

Brian Reilly, CIPMA  
Senior Municipal Advisor



## Executive Summary of Proposed Debt

Proposed Issue:	\$6,305,000 General Obligation Refunding Bonds, Series 2016C
Purposes:	<p>The proposed issue includes financing for an advance refunding for interest savings on the following issue:</p> <ul style="list-style-type: none"> <li>• \$9,480,000 General Obligation Capital Improvement Plan Bonds, Series 2008A, which financed a portion of City Hall. Debt service will be paid from ad valorem property taxes.</li> </ul> <p>Interest rates on the obligations proposed to be refunded are 4.00% to 4.80%. The refunding is expected to reduce interest expense by approximately \$816,718 over the next 13 years. The Net Present Value Benefit of the refunding is estimated to be \$721,082, equal to 11.89% of the refunded principal.</p> <p>This refunding is considered an advance refunding as the new Bonds will be issued more than 90 days prior to the call date of the obligations being refunded.</p>
Authority:	<p>The Bonds are being issued pursuant to Minnesota Statutes, Chapter:</p> <ul style="list-style-type: none"> <li>• 475 – General bonding authority</li> <li>• 475.521 – Allows issuance of general obligation debt without referendum to fund for specific capital improvements. Total annual debt service is limited to 0.16% of the taxable market value of the property in the City.</li> </ul> <p>The Bonds count against the City’s General Obligation Debt Capacity Limit of 3% of market value.</p> <p>The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p>
Term/Call Feature:	<p>The Bonds are being issued for a 13 year term. Principal on the Bonds will be due on February 1 in the years 2020 through 2029. Interest is payable every six months beginning August 1, 2017.</p> <p>The Bonds maturing on and after February 1, 2026 will be subject to prepayment at the discretion of the City on February 1, 2025 or any date thereafter.</p>
Bank Qualification:	<p>Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as “bank qualified” obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.</p>



<p>Rating:</p>	<p>The City's most recent bond issues were rated AA+ by Standard &amp; Poor's. The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City's bond rating in the event that the bond rating of the insurer is higher than that of the City.</p>
<p>Basis for Recommendation:</p>	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of general obligation bonds as a suitable financing option. The issues being refunded are general obligation bonds. It has been the City's practice and policy to finance capital improvements and street and utility projects with this type of debt. In addition, the issuance of general obligation bonds provides the most overall cost effective option that still maintains future flexibility for the repayment of the debt.</p>
<p>Method of Sale/Placement:</p>	<p>In order to obtain the lowest interest cost to the City, we will competitively bid the purchase of the Bonds from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 1% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p> <p><b>Premium Bids:</b> Under current market conditions, most investors in municipal bonds prefer "premium" pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered "reoffering premium."</p> <p>The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2% to 10% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p> <p>For this issue of Bonds we have been directed to use the premium to reduce the size of the issue. The adjustments may slightly change the true interest cost of the original bid, either up or down.</p> <p>You have the choice to limit the amount of premium in the bid specifications. This may result in fewer bids, but it may also eliminate large adjustments on the day of sale and other uncertainties.</p>



Review of Existing Debt:	<p>In addition to the issues being considered, the G.O. Capital Improvement Bonds, Series 2009A also present a refunding opportunity. After discussions with staff, it is proposed that the City will wait until after January 1, 2017 to consider this refunding. This will allow all of the 2016 debt to be issued as bank qualified.</p> <p>We will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
Arbitrage Monitoring:	<p>Because the Bonds are tax-exempt obligations/tax credit obligations, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Tax Certificate prepared by your Bond Attorney and provided at closing. We recommend that you regularly monitor compliance with these rules and/or retain the services of a qualified firm to assist you.</p>
Risk Factors:	<p><b>Advance Refunding:</b> The Bonds are being issued for the purpose of "advance" refunding prior City debt obligations. Only one tax-exempt advance refunding of an original tax-exempt debt obligation is permitted under current IRS rules. This refunding is being undertaken based in part on the following assumptions:</p> <ul style="list-style-type: none"> <li>• Since the new Bonds will extend the "call" date for this debt, we are assuming that the City does not expect to have revenues available to pre-pay the current obligations prior to this new call date.</li> <li>• Advance refunding will provide an overall lower debt cost as compared to waiting to refund the issues until its call date.</li> </ul>



Other Service Providers:	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p><b>Bond Attorney:</b> Kennedy &amp; Graven, Chartered</p> <p><b>Paying Agent:</b> Bond Trust Services Corporation</p> <p><b>Rating Agency:</b> Standard &amp; Poor's</p> <p><b>CPA Escrow Verification Agent:</b> Grant Thornton</p> <p><b>Escrow Agent:</b> U.S. Bank National Association</p>
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This presale report summarizes our understanding of the City's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City's objectives.

## Proposed Debt Issuance Schedule

Pre-Sale Review by City Council:	September 13, 2016
Conference Call with Rating Agency:	Week of October 10, 2016
Distribute Official Statement:	Week of October 31, 2016
Pricing Committee to Award Sale of the Bonds:	November 15, 2016
Presentation to City Council of Sale Results:	November 22, 2016
Estimated Closing Date:	December 15, 2016
Redemption Date for Bond	February 1, 2019



## Attachments

Sources and Uses of Funds

Proposed Debt Service Schedule

Refunding Savings Analysis

Resolution Authorizing Ehlers to Proceed With Bond Sale and Parameters for Awarding the Sale (Provided by Kennedy & Graven)

## Ehlers Contacts

Municipal Advisors:	Rebecca Kurtz	(651) 697-8516
	Brian Reilly	(651) 697-8541
Disclosure Coordinator:	Jen Chapman	(651) 697-8566
Financial Analyst:	Alicia Gage	(651) 697-8551

The Official Statement for this financing will be mailed to the City Council at their home address or e-mailed for review prior to the sale date.





# City of Richfield, Minnesota

\$6,305,000 General Obligation Refunding Bonds, Series 2016C  
Crossover Refunding 2008A GO CIP Bds  
Assumes Current Market BQ AA+ Rates plus 25bps

## Sources & Uses

Dated 12/15/2016 | Delivered 12/15/2016

### Sources Of Funds

Par Amount of Bonds	\$6,305,000.00
<b>Total Sources</b>	<b>\$6,305,000.00</b>

### Uses Of Funds

Total Underwriter's Discount (1.000%)	63,050.00
Costs of Issuance	53,000.00
Deposit to Crossover Escrow Fund	6,186,432.31
Rounding Amount	2,517.69
<b>Total Uses</b>	<b>\$6,305,000.00</b>

# City of Richfield, Minnesota

\$6,305,000 General Obligation Refunding Bonds, Series 2016C

Crossover Refunding 2008A GO CIP Bds

Assumes Current Market BQ AA+ Rates plus 25bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/15/2016	-	-	-	-	-
08/01/2017	-	-	64,733.31	64,733.31	-
02/01/2018	-	-	51,557.50	51,557.50	116,290.81
08/01/2018	-	-	51,557.50	51,557.50	-
02/01/2019	-	-	51,557.50	51,557.50	103,115.00
08/01/2019	-	-	51,557.50	51,557.50	-
02/01/2020	580,000.00	1.150%	51,557.50	631,557.50	683,115.00
08/01/2020	-	-	48,222.50	48,222.50	-
02/01/2021	590,000.00	1.250%	48,222.50	638,222.50	686,445.00
08/01/2021	-	-	44,535.00	44,535.00	-
02/01/2022	600,000.00	1.400%	44,535.00	644,535.00	689,070.00
08/01/2022	-	-	40,335.00	40,335.00	-
02/01/2023	610,000.00	1.500%	40,335.00	650,335.00	690,670.00
08/01/2023	-	-	35,760.00	35,760.00	-
02/01/2024	620,000.00	1.600%	35,760.00	655,760.00	691,520.00
08/01/2024	-	-	30,800.00	30,800.00	-
02/01/2025	635,000.00	1.700%	30,800.00	665,800.00	696,600.00
08/01/2025	-	-	25,402.50	25,402.50	-
02/01/2026	645,000.00	1.750%	25,402.50	670,402.50	695,805.00
08/01/2026	-	-	19,758.75	19,758.75	-
02/01/2027	660,000.00	1.850%	19,758.75	679,758.75	699,517.50
08/01/2027	-	-	13,653.75	13,653.75	-
02/01/2028	675,000.00	1.950%	13,653.75	688,653.75	702,307.50
08/01/2028	-	-	7,072.50	7,072.50	-
02/01/2029	690,000.00	2.050%	7,072.50	697,072.50	704,145.00
<b>Total</b>	<b>\$6,305,000.00</b>	<b>-</b>	<b>\$853,600.81</b>	<b>\$7,158,600.81</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$49,095.64
Average Life	7.787 Years
Average Coupon	1.7386489%
Net Interest Cost (NIC)	1.8670718%
True Interest Cost (TIC)	1.8723505%
Bond Yield for Arbitrage Purposes	1.7329050%
All Inclusive Cost (AIC)	1.9909321%

## IRS Form 8038

Net Interest Cost	1.7386489%
Weighted Average Maturity	7.787 Years

# City of Richfield, Minnesota

\$6,305,000 General Obligation Refunding Bonds, Series 2016C

Crossover Refunding 2008A GO CIP Bds

Assumes Current Market BQ AA+ Rates plus 25bps

## Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	PCF	Existing D/S	Net New D/S	Fiscal Total
12/15/2016	-	-	-	-	-	-	(2,517.69)	-
02/01/2017	-	-	-	-	-	598,157.50	598,157.50	595,639.81
08/01/2017	-	-	64,733.31	64,733.31	(64,733.31)	159,557.50	159,557.50	-
02/01/2018	-	-	51,557.50	51,557.50	(51,557.50)	599,557.50	599,557.50	759,115.00
08/01/2018	-	-	51,557.50	51,557.50	(51,557.50)	150,537.50	150,537.50	-
02/01/2019	-	-	51,557.50	51,557.50	(6,116,557.50)	6,675,537.50	610,537.50	761,075.00
08/01/2019	-	-	51,557.50	51,557.50	-	-	51,557.50	-
02/01/2020	580,000.00	1.150%	51,557.50	631,557.50	-	-	631,557.50	683,115.00
08/01/2020	-	-	48,222.50	48,222.50	-	-	48,222.50	-
02/01/2021	590,000.00	1.250%	48,222.50	638,222.50	-	-	638,222.50	686,445.00
08/01/2021	-	-	44,535.00	44,535.00	-	-	44,535.00	-
02/01/2022	600,000.00	1.400%	44,535.00	644,535.00	-	-	644,535.00	689,070.00
08/01/2022	-	-	40,335.00	40,335.00	-	-	40,335.00	-
02/01/2023	610,000.00	1.500%	40,335.00	650,335.00	-	-	650,335.00	690,670.00
08/01/2023	-	-	35,760.00	35,760.00	-	-	35,760.00	-
02/01/2024	620,000.00	1.600%	35,760.00	655,760.00	-	-	655,760.00	691,520.00
08/01/2024	-	-	30,800.00	30,800.00	-	-	30,800.00	-
02/01/2025	635,000.00	1.700%	30,800.00	665,800.00	-	-	665,800.00	696,600.00
08/01/2025	-	-	25,402.50	25,402.50	-	-	25,402.50	-
02/01/2026	645,000.00	1.750%	25,402.50	670,402.50	-	-	670,402.50	695,805.00
08/01/2026	-	-	19,758.75	19,758.75	-	-	19,758.75	-
02/01/2027	660,000.00	1.850%	19,758.75	679,758.75	-	-	679,758.75	699,517.50
08/01/2027	-	-	13,653.75	13,653.75	-	-	13,653.75	-
02/01/2028	675,000.00	1.950%	13,653.75	688,653.75	-	-	688,653.75	702,307.50
08/01/2028	-	-	7,072.50	7,072.50	-	-	7,072.50	-
02/01/2029	690,000.00	2.050%	7,072.50	697,072.50	-	-	697,072.50	704,145.00
<b>Total</b>	<b>\$6,305,000.00</b>	<b>-</b>	<b>\$853,600.81</b>	<b>\$7,158,600.81</b>	<b>(6,284,405.81)</b>	<b>\$8,183,347.50</b>	<b>\$9,055,024.81</b>	<b>-</b>

# City of Richfield, Minnesota

\$6,305,000 General Obligation Refunding Bonds, Series 2016C

Crossover Refunding 2008A GO CIP Bds

Assumes Current Market BQ AA+ Rates plus 25bps

## Debt Service Comparison

Date	Total P+I	PCF	Existing D/S	Net New D/S	Old Net D/S	Savings
02/01/2017	-	-	598,157.50	595,639.81	598,157.50	2,517.69
02/01/2018	116,290.81	(116,290.81)	759,115.00	759,115.00	759,115.00	-
02/01/2019	103,115.00	(6,168,115.00)	6,826,075.00	761,075.00	761,075.00	-
02/01/2020	683,115.00	-	-	683,115.00	766,755.00	83,640.00
02/01/2021	686,445.00	-	-	686,445.00	765,900.00	79,455.00
02/01/2022	689,070.00	-	-	689,070.00	768,680.00	79,610.00
02/01/2023	690,670.00	-	-	690,670.00	769,830.00	79,160.00
02/01/2024	691,520.00	-	-	691,520.00	774,300.00	82,780.00
02/01/2025	696,600.00	-	-	696,600.00	776,805.00	80,205.00
02/01/2026	695,805.00	-	-	695,805.00	777,900.00	82,095.00
02/01/2027	699,517.50	-	-	699,517.50	782,262.50	82,745.00
02/01/2028	702,307.50	-	-	702,307.50	784,962.50	82,655.00
02/01/2029	704,145.00	-	-	704,145.00	786,000.00	81,855.00
<b>Total</b>	<b>\$7,158,600.81</b>	<b>(6,284,405.81)</b>	<b>\$8,183,347.50</b>	<b>\$9,055,024.81</b>	<b>\$9,871,742.50</b>	<b>\$816,717.69</b>

## PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	718,564.28
Net PV Cashflow Savings @ 1.733%(Bond Yield).....	718,564.28
Contingency or Rounding Amount.....	2,517.69
Net Present Value Benefit	\$721,081.97
Net PV Benefit / \$6,809,135.89 PV Refunded Debt Service	10.590%
Net PV Benefit / \$6,065,000 Refunded Principal...	11.889%
Net PV Benefit / \$6,305,000 Refunding Principal..	11.437%

## Refunding Bond Information

Refunding Dated Date	12/15/2016
Refunding Delivery Date	12/15/2016

# City of Richfield, Minnesota

\$6,305,000 General Obligation Refunding Bonds, Series 2016C

Crossover Refunding 2008A GO CIP Bds

Assumes Current Market BQ AA+ Rates plus 25bps

## Crossover Escrow Fund Cashflow

Date	Principal	Rate	Interest	Zero Coupon	Reinvestment	Receipts	Disbursements	Cash Balance
12/15/2016	-	-	-	-	-	0.31	-	0.31
02/01/2017	-	-	6,007.81	(6,008.00)	-	(0.19)	-	0.12
08/01/2017	35,589.00	0.480%	23,137.12	-	6,008.00	64,734.12	64,733.31	0.93
02/01/2018	28,527.00	0.580%	23,029.95	-	-	51,556.95	51,557.50	0.38
08/01/2018	28,610.00	0.670%	22,947.23	-	-	51,557.23	51,557.50	0.11
02/01/2019	6,093,706.00	0.750%	22,851.39	-	-	6,116,557.39	6,116,557.50	-
<b>Total</b>	<b>\$6,186,432.00</b>	<b>-</b>	<b>\$97,973.50</b>	<b>(6,008.00)</b>	<b>\$6,008.00</b>	<b>\$6,284,405.81</b>	<b>\$6,284,405.81</b>	<b>-</b>

## Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	0.31
Cost of Investments Purchased with Bond Proceeds	6,186,432.00
Total Cost of Investments	\$6,186,432.31
Target Cost of Investments at bond yield	\$6,060,798.64
Actual positive or (negative) arbitrage	(125,633.67)
Yield to Receipt	0.7496635%
Yield for Arbitrage Purposes	1.7329050%
State and Local Government Series (SLGS) rates for	8/08/2016





**STAFF REPORT NO. 144**  
**CITY COUNCIL MEETING**  
**9/13/2016**

REPORT PREPARED BY: Chris Regis, Finance Manager

DEPARTMENT DIRECTOR REVIEW: Steven Devich  
9/7/2016

OTHER DEPARTMENT REVIEW: N/A.

CITY MANAGER REVIEW: STEVEN L. DEVICH  
9/7/2016

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of the 2016 Revised/2017 Proposed Budget resolutions adopting the 2017 preliminary property tax levy, setting truth in taxation hearing date, authorizing budget revisions, and authorizing revision of 2016 budget of various departments.**

**EXECUTIVE SUMMARY:**

On August 31, 2016, a special City Council meeting was held for the purpose of presenting and discussing the 2016 Revised/2017 Proposed Budget and 2017 preliminary property tax levy.

Consequently, as a result of this meeting the City of Richfield's preliminary gross tax levy is currently set at \$19,552,081 which includes a levy for general fund operations of \$16,026,293, a debt service levy of \$2,396,790 a tax abatement levy of \$358,998, and an equipment and technology levy of \$770,000. The 2017 preliminary gross levy represents a 3.89% increase from the 2016 gross levy.

In addition, the City must certify its proposed property tax levy for payable year 2017 to the County Auditor and set a date for its Truth in Taxation public meeting on or before September 30, 2016.

The Truth in Taxation public meeting must be held between November 25 and December 28, 2016 and must occur at 6:00 p.m. or later. The City's Truth in Taxation public meeting is scheduled for Tuesday December 6, 2016 at 6:00 p.m. at the City of Richfield Municipal Center.

**RECOMMENDED ACTION:**

**By Motion: Adopt the resolutions establishing the 2017 preliminary property tax levy and proposed date for the Truth in Taxation hearing, authorizing budget revisions, and authorizing revision of 2016 budget of various departments.**

**BASIS OF RECOMMENDATION:**

A. **HISTORICAL CONTEXT**

N/A.

B. **POLICIES (resolutions, ordinances, regulations, statutes, etc):**

- The City Charter establishes that at a special budget meeting of the Council on or before

September 15, the City Manager must submit to the Council a proposed budget and a budget message in the form and containing the information specified in Section 7.06.

- Consequently, as required by the Truth in Taxation legislation (MS 275.065) each “taxing authority” must certify its proposed property tax levy for payable year 2017 to the County Auditor on or before September 30, 2016. “Taxing authority” includes all counties, all school districts, all cities regardless of population, and all towns. The certification date for Special taxing districts remains at September 15, 2016. No local units of government are exempted from this requirement.
- In addition, each “taxing authority” with a population of 500 or more, must certify to their County Auditor the date that has been selected for the Truth in Taxation public meeting by September 30, 2016. This Truth in Taxation public meeting must be held between November 25 and December 28, 2016 and must occur at 6:00 p.m. or later.

**C. CRITICAL TIMING ISSUES:**

- Along with the 2016 Revised/2017 Proposed budget and preliminary property tax levy, City staff is also recommending a date for this year’s Truth in Taxation public meeting. It is recommended that this year’s meeting be set for 6:00 p.m. Tuesday, December 6, 2016. As Council Members are aware, at these public meetings, the tax levy may be reduced from the preliminary tax levy, but not increased.
- All official action concerning the preliminary tax levy and setting dates for the Truth in Taxation hearings must be concluded before September 30, 2016.

**D. FINANCIAL IMPACT:**

- The preliminary gross levy for taxes payable 2017 is \$19,552,081.
- The City’s tax capacity rate will decrease from 60.992% in 2016 to 57.1739% in 2017.
- Included in the 2017 preliminary gross levy is a levy to fund the purchase of rolling stock and technology equipment of \$770,000. This levy is in place of the issuance of debt to fund these purchases.
- A final resolution for consideration authorizes the revision of the 2016 budget to conform to the most recent 2016 revenue and expenditure projections.

**E. LEGAL CONSIDERATION:**

N/A.

**ALTERNATIVE RECOMMENDATION(S):**

- The City Council could adopt a lesser 2017 preliminary property tax levy or 2016 Revised/2017 Proposed budget or select other allowable Truth in Taxation hearing dates.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A.

**ATTACHMENTS:**

Description	Type
❑ Resolution to Authorize Budget Revisions	Resolution Letter
❑ Resolution Authorizing Revision of 2016 Budget for Various Departments	Resolution Letter
❑ Resolution 2017 Proposed Budget and Tax Levy	Resolution Letter

**RESOLUTION NO.**  
**RESOLUTION AUTHORIZING BUDGET REVISIONS**

**WHEREAS**, the City Charter and Minnesota Statutes provide for a process for adopting an annual budget and tax levy; and

**WHEREAS**, the City Charter provides certain authority for the City Manager and/or City Council to revise the annual budget; and

**WHEREAS**, it would be beneficial to restate such authority with the adoption of the budget.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota as follows:

1. The City Manager may increase the budget by City Council action provided that unbudgeted receipts will be available to equal or exceed the increased expenditures.
2. The City Manager may authorize transfers between divisions within a department providing the transfers do not increase or decrease the department or total budget.
3. The City Manager may transfer budgeted amounts between departments only with the approval of the City Council.

Adopted by the City Council of the City of Richfield, Minnesota this 13<sup>th</sup> day of September, 2016.

\_\_\_\_\_  
Debbie Goettel, Mayor

ATTEST:

\_\_\_\_\_  
Elizabeth VanHoose, City Clerk



## RESOLUTION NO.

### RESOLUTION AUTHORIZING REVISION OF 2016 BUDGET OF VARIOUS DEPARTMENTS

**WHEREAS**, Resolution No. 11151 appropriated funds for personal services, other expenses and capital outlays for each department of the City for the year of 2016; and

**WHEREAS**, The City Charter, Chapter 7, Section 7.09, gives the Council authority to transfer unencumbered appropriation balances from one department to another within the same fund at the request of the City Manager; and

**WHEREAS**, The City Manager has requested a revision of the 2016 budget appropriations in accordance with Charter provisions and as detailed in the Proposed 2017 budget document.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota as follows:

1. That the 2016 appropriations for each department of the General Fund be amended to establish the following totals:

<u>General Fund</u>	
Legislative/Executive	\$ 867,700
Administrative Services	1,400,130
Public Safety	8,425,410
Fire Services	3,957,230
Community Development	1,377,820
Public Works	3,843,890
Recreation Services	1,828,730
Transfer Out	150,000
TOTAL GENERAL FUND	<u>\$20,850,910</u>
DECREASE	<u>\$ 48,510</u>

2. Estimated 2016 gross revenue of the City of Richfield from all sources, as the same are more fully detailed in the City Manager's official copy of the proposed 2017 budget, are hereby revised as follows:

DECREASE	<u>\$48,510</u>
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3. That the City Manager and the Finance Manager bring into effect the provisions of this resolution.

Adopted by the City Council of the City of Richfield, Minnesota this 13th day of September 2016.

\_\_\_\_\_  
Debbie Goettel, Mayor

ATTEST:

\_\_\_\_\_  
Elizabeth VanHoose, City Clerk

**RESOLUTION NO.  
RESOLUTION ADOPTING A PROPOSED BUDGET AND TAX LEVY  
FOR THE YEAR 2017**

**WHEREAS**, the Minnesota Truth in Taxation law provides for a proposed tax levy to be certified to the County Auditor by September 30, 2016 and then recertified before December 28, 2016.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota as follows:

1. The budget for the City of Richfield for the year 2017 is hereby approved and adopted with appropriations for each of the departments to be as follows:

General Fund

Legislative/Executive	\$ 878,580
Administrative Services	1,423,440
Public Safety	8,835,540
Fire Services	4,150,030
Community Development	1,411,290
Public Works	3,972,780
Recreation Services	1,887,210
Transfers Out	175,000
<b>TOTAL GENERAL FUND</b>	<u><u>\$22,733,870</u></u>

2. The estimated gross revenue of the City of Richfield from all sources, including general ad valorem tax levies as hereinafter set forth for the year 2017 which are more fully detailed in the City Manager's official copy of the 2017 budget, are hereby found and determined to be as follows:

TOTAL GENERAL FUND      \$22,733,870

3. There is hereby levied upon all taxable property in the City of Richfield a direct ad valorem tax in the year 2016, payable in 2017 for the following purposes and in the following amounts:

<u>PURPOSE</u>	<u>AMOUNT</u>
General Fund <sup>1</sup>	\$16,026,293 <sup>2</sup>
Equipment	770,000
Debt Service	2,396,790
Cedar Point Tax Abatement	358,998

<sup>1</sup> Provision has been made in the General Fund for the payment of the City's contributory share to Public Employees' Retirement Association.

<sup>2</sup> General Fund Levy includes all fiscal disparities distribution amounts.

4. The debt service tax levy as established in the bond documents for the G.O. Street Reconstruction Bonds, Series 2012A, will be reduced from \$142,076 to \$129,695 due to the use surplus bond proceeds from the issue.
5. The debt service tax levy as established in the bond documents for the G.O. Street Reconstruction Bonds, Series 2015A will be reduced from \$637,199 to \$283,861 due to the utilization of gas and electric franchise fees.
6. The budget for the Housing and Redevelopment Authority of Richfield for the year 2017 is hereby ratified and approved. There is hereby levied upon all taxable property in the City of Richfield a direct ad valorem tax in the year 2016, payable in 2017 for the following purposes:

<u>PURPOSE</u>	<u>AMOUNT</u>
Housing and Redevelopment Authority	\$531,723

7. A certified copy of this resolution shall be transmitted to the County Auditor.
8. The Truth in Taxation public meeting shall be set for 6:00 p.m. December 6, 2016.

Adopted by the City Council of the City of Richfield, Minnesota this 13<sup>th</sup> day of September 2016.

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Debbie Goettel, Mayor

ATTEST:

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Elizabeth VanHoose, City Clerk